



Board of Directors
Governance Policies
3rd Edition
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TABLE OF CONTENTS

Category I: Ends	Page
Policy 1.0 Ends Statement	1
Category II: Executive Limitations	
Policy 2.0 General Executive Constraints	2
2.1 Treatment of Members	2
2.2 Treatment of Staff	2
2.3 Financial Planning/Budgeting	2-3
2.4 Financial Condition and Activities	3
2.5 Asset Protection	4
2.6 Investment Management	4
2.7 Emergency Executive Succession	4
2.8 Compensation and Benefits	4-5
2.9 Board Awareness and Support	5-6
2.10 Programs/Events/Services	6
2.11 Membership Dues and Fees	6
2.12 Official Opinions or Recommendations	6
2.13 AOG/AFA Foundation MOU	6
2.14 Addressing Findings in Audit Report	6
Category III: Board/Staff Linkage	
Policy 3.0 Governance-Management Connection	7
3.1 Unity of Control	7
3.2 Accountability of the CEO	7-8
3.3 Evaluation of the CEO	8
3.4 Monitoring CEO Performance	8
Category IV: Governance Process	
Policy 4.0 Governance Commitment	9
4.1 Governing Style and Values	9
4.2 Policy-Making Principles	9-10
4.3 Board Job Products	10-11
4.4 Board Strategic Plan and Agenda	11-13
4.5 Chair's Role	13
4.6 Board Members' Code of Conduct	14
4.7 Directors' Individual Responsibilities	14-15
4.8 Board Committee Principles	15-16
4.9 Bylaws-Directed Standing Committees	16-20
4.10 Other Standing Committees	20-22
4.11 Cost of Governance	22
Table 4.1 BOD Motion-to-Vote Process	23
Table 4.2 Board Two Year Schedule	24
Updates 5.0 Changes to this Manual	25

Attachment 1	Heritage and Traditions Committee Instruction	27
Attachment 2	Nominating Committee Guide	30
Attachment 3	CEO Evaluation and Compensation Committee Operating Procedures	33
Attachment 3a	Incentive Compensation Agreement (Example)	34
Attachment 4	AOG Distinguished Graduate Committee Procedures	37

POLICY 1.0: Ends Statement

POLICY CATEGORY I: Ends

PURPOSE: The Association of Graduates (AOG) is an engaged, unifying force of United States Air Force Academy (USAFA) graduates chosen to serve our Nation.

ENDS: To pursue our purpose and to serve and support the United States of America, the United States Air Force, the United States Air Force Academy and the graduate community by:

- a. Providing leadership, communication, and lifelong support to all Academy graduates and friends of the Academy and promoting camaraderie among them.
- b. Working in partnership with the Academy to produce and foster graduates with an enduring commitment to integrity, excellence and service.
- c. Celebrating and encouraging the service of graduates to their communities and our nation.
- d. Documenting, preserving, and honoring the heritage of the Academy, our common traditions and traditions, and the accomplishments of our graduates.

POLICY 2.0: General Executive Constraints

POLICY CATEGORY II: Executive Limitations

POLICY NARRATIVE:

The CEO shall not cause nor allow any practice, activity, decision or organizational circumstance that is unlawful, in contravention of AOG Bylaws or these Board policies, imprudent, or in violation of commonly accepted business practices and professional ethics.

2.1 With respect to interactions with members, or those applying to be members, the CEO shall not cause or allow conditions, procedures, or decisions which are unfair, unsafe, undignified, untimely, unnecessarily intrusive, or which fail to provide appropriate confidentiality or privacy. Accordingly, the CEO shall not:

- a. Use application forms that elicit information for which there is no clear necessity.
- b. Use methods of collecting, reviewing, transmitting, or storing member information that fail to protect against improper access to the material elicited.
- c. Fail to communicate to members a clear understanding of what may be expected from the service(s) offered.

2.2 With respect to the treatment of paid staff and volunteers, the CEO may not cause or allow conditions which are unsafe, unfair or undignified. Accordingly, pertaining to paid staff, the CEO shall not:

- a. Operate without written personnel policies summarized in a personnel handbook, which provide for effective handling of grievances, and protect against wrongful conditions.
- b. Retaliate against any staff member for non-disruptive, internal expression of dissent.
- c. Retaliate against an employee for reporting to management or to the Board of Directors acts or omissions by AOG personnel, management, or the Board of Directors that the employee believes, in good faith and based on credible information, constitutes a violation of state or federal law or a governing policy of the Board.
- d. Prevent staff from grieving to the Board, through the Chair of the Audit Committee, when:
 - i. Internal grievance procedures have been exhausted and the employee alleges that either
 - ii. Board or AOG policy has been violated or
 - iii. Board or AOG policy does not adequately protect his or her rights.
 - iv. Fail to acquaint staff with their rights under this policy

2.3 Financial planning for any fiscal year or the remaining part of any fiscal year shall not deviate materially from the Board's Ends priorities or risk fiscal jeopardy. Accordingly, the CEO shall not allow budgeting which:

- a. Risk incurring those situations or conditions described as unacceptable in the “Financial Conditions and Activities” Board policy (para 2.4).
- b. Contains too little information to enable credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
- c. Plans the expenditure in any fiscal year of more funds than are conservatively projected to be received in that fiscal year (balanced budget) without the approval of the Board of Directors.
- d. Fails to properly support the Board and its work.

2.4 With respect to the AOG’s actual, ongoing financial condition and activities, the CEO shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from Board priorities established in Ends policies. Accordingly, the CEO shall not:

- a. Expend more funds than have been received in the fiscal year to date except as budgeted.
- b. Fail to settle payroll and payables in a timely manner.
- c. Allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed.
- d. Make a single purchase or commitment of greater than \$100,000 without Board approval, except as authorized by the approved budget.
- e. Execute a check with single signature for more than \$5,000 (except contractual agreements which may be executed by single CEO or controller signature).
- f. Acquire, encumber or dispose of real property (exception: leasing of AOG’s real property).
- g. Fail to aggressively pursue material receivables after a reasonable grace period.
- h. Obtain revenues from sources that are not, in fact and appearance, legal and consistent with the mission and values of the AOG.
- i. Use restricted funds for purposes other than stated without donor approval.
- j. Fail to exercise adequate internal controls over receipts and disbursements to avoid unauthorized payments or material dissipation of assets.
- k. Allow there to be secret funds.
- l. Allow there to be un-auditable transactions. (Exception: The CEO may provide a maximum cash advance of \$100 per full day of travel.)
- m. Pledge any of the assets of the corporation as security within any contracts.
- n. Allow the expenditure of organizational funds for travel purposes which are not specifically related to or consistent with the AOG’s purpose and functions.

2.5 The CEO shall not allow the assets of the AOG to be unprotected, inadequately maintained or unnecessarily risked. Accordingly, he or she may not:

- a. Fail to insure against
 1. Theft and casualty losses to at least replacement value
 2. Liability losses to Board members, staff and the organization itself in an amount at least equal to the average for comparable organizations, and
 3. Employee theft and dishonesty
- b. Allow un-bonded personnel access to material amounts of funds.
- c. Subject facilities and equipment to improper wear and tear or insufficient maintenance.
- d. Unnecessarily expose the AOG, its Board or staff to liability claims.
- e. Make any purchase
 1. wherein normally prudent protection has not been given against conflict of interest
 2. of over \$50,000 without having obtained comparative bids and prices
- f. Fail to protect intellectual property, information and files from loss or significant damage, in accordance with commonly accepted business practices.
- g. Fail to inventory and maintain physical property with safeguards to minimize/prevent loss, damage or theft.
- h. Receive, process, account for, and disburse funds under controls that are insufficient to meet the current Board auditor's standards.
- i. Endanger the AOG's public image or credibility.
- j. Change the organization's name or substantially alter its identity.

2.6 The CEO will not fail to invest in accordance with the current Board-approved Financial Management and Investment Policy (FMIP).

2.7 To protect the Board from sudden loss of chief executive services, the CEO and the President and COO will have no fewer than one (1) but preferably two (2) other members of the executive/management team familiar with Board and CEO issues and processes.

2.8 With respect to employment, compensation, and benefits to employees, consultants, contract workers and volunteers, the CEO shall not cause or allow jeopardy to fiscal integrity or public image. Accordingly, the CEO may not:

- a. Change the CEO's own compensation and benefits, except for a change in benefits that is consistent with a package change for all other employees.
- b. Promise or imply anything other than "at-will" employment.
- c. Establish current compensation and benefits which deviate materially from generally accepted salary ranges within the industry and geographic area/region for employees with similar experience, expertise, and responsibilities.
- d. Create obligations over a longer term than revenues can be safely projected, and in no event longer than one year.
- e. Establish or change retirement benefits so as to cause unpredictable or inequitable conditions.

2.9 The CEO shall not permit the Board to be uninformed or unsupported in its work. Accordingly, the CEO may not:

- a. Fail to have a current plan to achieve the Board's Ends
- b. Fail to submit monitoring data required by the Board (see policy on Monitoring CEO Performance in Board/Staff Linkage, Policy 3.4) in a timely, accurate and understandable fashion, directly addressing provisions of Board policies being monitored.
- c. Fail to inform the Board of relevant trends, anticipated adverse media coverage, or material external and internal changes, and particularly changes in the assumptions upon which any Board policy has been previously established.
- d. Fail to notify the Board, in advance when feasible, of material planned internal changes.
- e. Fail to advise the Board if, in the CEO's opinion, the Board is not in compliance with its Bylaws or its own policies on Governance Process and Board/Staff Linkage, particularly in the case of Board behavior which is detrimental to the working relationship between the Board and the CEO.
- f. Fail to provide for the Board as many staff and external points of view, issues and options as needed for fully informed Board choices.
- g. Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types:
 - 1. Monitoring
 - 2. Action Item, and
 - 3. Incidental ("FYI").
- h. Fail to provide the Board with reasonable administrative and logistical support for official Board, officer or committee communications and functions.
- i. Fail to deal with the Board as a whole except when:

1. Fulfilling reasonable individual requests for information, or
 2. Dealing with officer or committee duly charged by the Board.
- j. Fail to report in a timely manner any actual or anticipated noncompliance with any policy of the Board.
- k. Fail to supply for the consent agenda all items delegated to the CEO or required by law or contract to be Board approved, along with the monitoring assurance.
- 2.10 With respect to the programs/events produced and services provided by the AOG, the CEO shall not fail to ensure that these programs/events/services meet or exceed industry standards for excellence in programming, safety and participant/audience amenities. Accordingly, the CEO may not fail to:
- a. Produce and implement operational planning to ensure that the event(s)/services are well organized and are safe for all attendees.
 - b. Design logistical plans which comply with all applicable legal requirements and which facilitate crowd comfort, safety and enjoyment of the event(s).
 - c. Purchase supplies for resale to members, when appropriate, to take advantage of group buying power.
 - d. Provide appropriate support and financial management functions, as specified in the Memoranda of Understanding (MOU) or other agreements.
- 2.11 The CEO may not change the life membership dues. The CEO may adjust annual dues and fees.
- 2.12 With respect to DoD, USAF or USAFA policies that do not materially impact the AOG, the CEO will not render an official opinion or recommendation on such matters, unless formally cleared to do so by the Board of Directors.
- 2.13 CEO will not fail to abide the provisions of the current AOG/AFA Foundation Memorandum of Understanding as approved by the Board of Directors, nor fail to:
- a. Consider the business and fund-raising opportunities that arise from this agreement.
 - b. Proactively support AFA Foundation fund-raising activities that will directly benefit the AOG.
- 2.14 The CEO will not fail to immediately address major findings on the annual audit report.

POLICY 3.0: Governance – Management Connection

POLICY CATEGORY III: Board/Staff Linkage

POLICY NARRATIVE:

The Board's sole connection to the operational organization, its achievements and conduct will be through a Chief Executive Officer (CEO).

3.1 Only officially passed motions of the Board are binding on the CEO.

- a. Decisions or instructions of individual Board members, officers, or committees are not binding on the CEO except in rare instances when the Board has specifically delegated this authority.
- b. If Board members or committees request information or assistance without Board authorization, the CEO can refuse such requests that require, in his/her opinion, a material amount of staff time or funds or are disruptive.
- c. The Board may be involved in employee issues as indicated in the AOG personnel guide.
- d. The Board will view CEO performance as identical to organizational performance, so that organizational accomplishment of Board-stated Ends and compliance with Executive Limitations will be viewed as successful CEO performance.

3.2 The Board will instruct the CEO through written policies that prescribe the organizational Ends to be achieved, and describe organizational situations and actions to be avoided, allowing the CEO to use any reasonable interpretation of these policies.

- a. The Board will develop and maintain policies instructing the CEO to achieve certain results, for certain recipients at a specified worth or priority. These policies will be developed systematically from the broadest, most general level to more defined levels, and will be called Ends policies. All issues that are not Ends issues, as defined here, are means issues.
- b. The CEO will make inputs to the development of Board policies, including organizations Ends, to the Board as he/she deems appropriate.
- c. The Board will develop and maintain policies which limit the latitude the CEO may exercise in choosing the organizational Means that support the AOG Operational Plan. These limiting policies will describe those practices, activities, decisions and circumstances that would be unacceptable to the Board even if they were effective in accomplishing the AOG Operational Plan. These policies will be developed systematically from the broadest, most general level to more defined levels, and they will be called Executive Limitations policies.
- d. As long as the CEO uses any reasonable interpretation of the Board's approved Ends and Executive Limitations policies, the CEO is authorized to establish all further policies, make all decisions, take all actions, establish all practices and develop all activities.

- e. The Board may change its Ends and Executive Limitations policies, thereby shifting the boundary between Board and CEO domains. By doing so, the Board changes the latitude of choice given to the CEO. However, as long as any particular delegation is in place, the Board will respect and support the CEO's choices.

3.3 The Board will monitor and evaluate CEO performance in such a way as to have systematic assurance of policy compliance, and successful execution of the AOG Operational Plan. Monitoring of CEO job performance will be against the expected CEO job outputs: development of the AOG Operational Plan, organizational execution of the Operational Plan, and organizational operation within the boundaries established in the Executive Limitations. To assist the Board's monitoring of CEO performance, the CEO will:

- a. Annually: Present to the Board the AOG's upcoming fiscal year Budget for Board review and approval. Linkages between the Budget and the AOG Operational Plan will be highlighted.
- b. Annually: Present an update of the AOG Operational Plan for Board at the Board meeting immediately preceding the annual presentation of the coming year Budget.
- c. Annually: Present a year-end Financial Report.
- d. Quarterly: Present a Financial Report of the previous quarter performance.
- e. Quarterly: Present metrics linked to the Operational Plan showing progress toward accomplishment of the AOG Operational Plan, and present any changes made to the execution of the Operational Plan in the previous quarter.
- f. Quarterly: Present one quarter the number of Monitoring Reports, which will detail continued adherence to the General Executive Constraints in Policy 2.0, along with any explanation of pertinent information.

3.4 The Board may acquire monitoring data by one or more of two methods:

- a. By internal report, in which the CEO discloses compliance information to the Board.
- b. By external report, in which an external, disinterested third party selected by the Board assesses compliance with Board policies. By direct Board inspection, in which a designated member or members of the Board assess compliance with the appropriate policy criteria.
- c. In every case, the standard for policy compliance shall be any reasonable CEO interpretation of the Board policy being monitored.

POLICY 4.0: Governance Commitment

POLICY CATEGORY IV: Governance Process

POLICY NARRATIVE:

The purpose of the Board of Directors, on behalf of the membership, is to ensure that the AOG achieves the Board's Ends at an affordable cost and avoids unacceptable actions and situations.

4.1 The Board will govern with an emphasis on vision and mission, integrity and truthfulness in all methods and practices, outward vision rather than an internal preoccupation, encouragement of diversity in viewpoints, strategic leadership rather than administrative detail, clear distinction of Board and CEO roles, collective rather than individual decisions, future rather than past or present, and pro-activity rather than reactivity. Accordingly:

- a. The Board will not allow any activity or circumstance that is unlawful, imprudent, or in violation of commonly accepted business professional ethics.
- b. The Board meetings, with the exception of matters dealing with personnel or a sensitive nature, shall be open to its members.
- c. The Board will cultivate a sense of group responsibility. The Board, not the staff, will be responsible for excellence in governing. The staff may initiate discussion of Board policy. The Board will use the expertise of individual members to enhance the ability of the Board as a body, rather than to substitute the individual judgments for the Board's values. The Board will allow no officer, individual or committee of the Board to hinder or be an excuse for not fulfilling Board commitments.
- d. The Board will direct, control and inspire the organization through the careful establishment of broad written policies reflecting the Board's values and perspectives about Ends to be achieved and means to be avoided. The Board's major policy focus will be on the intended long-term impacts outside the organization, not on the administrative or programmatic means of attaining those effects.

The Board will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, participation, preparation for meetings, policymaking principles, and respect of roles, and ensuring the continuance of governance capability. Continual Board development will include orientation of new Board members in the Board's governance process and periodic Board discussion of process improvement.

- e. Self-monitoring will include comparison of Board activity and discipline to policies in the Governance Process and Board/Staff Linkage categories.
- f. Each member of the Board will support the final determination of the Board concerning any particular matter, irrespective of the member's personal position concerning such matter.

4.2 The Board assumes full responsibility for ongoing and rigorous examination, debate and, revision of its policies. The establishment and maintenance of these policy "products" from

value considerations and Board member perspectives and deliberations is the essence of the Board's role as an outward-looking and future-oriented governing body. Accordingly:

- a. All policies of the Board are contained in this document, the Financial Management and Investment Policy, or the AOG/AFA Foundation MOU, and they remain in effect, unless amended or deleted by Board action.
- b. Ends policies are results-based. Thus, their revision as well as the development of new Ends policies will be a continuing priority of the Board.
- c. Additions and changes to the written policies and procedures of the Board will be made allowing for full and careful consideration by the Directors. Unless waived by Board motion, the Board will follow the process diagrammed at Table 1.

4.3 The primary contribution and role of the Board is to represent the membership in determining and demanding appropriate organizational performance. Therefore, as the Board has its own distinct role in contributions to the AOG, this policy outlines the specific job products for which the Board assumes responsibility. Accordingly:

- a. The Board will produce the linkage between the AOG and the membership (the population on whose behalf the Board serves as trustee)
 1. Needs Assessment: The Board will strive to identify the needs of the membership as they relate to the AOG's activities and scope of influence and shall translate such knowledge into the articulation of Ends policies.
 2. Advocacy: The Board will act as the ambassadors from the AOG to the membership and shall take steps to inform the membership of the AOG's present accomplishments, and focus on the future.
- b. The Board will produce written governing policies that, at the broadest levels, address each category of organizational decision:
 1. ENDS: Organizational products, effects, benefits, outcomes, recipients, and their relative worth (what good, for which recipients, at what cost).
 2. EXECUTIVE LIMITATIONS: Constraints on executive authority which clarify the prudence and ethics boundaries within which all executive activity and decisions must take place.
 3. GOVERNANCE PROCESS: Specifies how the Board conceives, carries out and monitors its own task.
 4. BOARD/STAFF LINKAGE: How power is delegated, and its proper use monitored; the CEO role, authority and accountability.
- c. The Board will assure effective CEO performance (achievement of Ends and compliance with Executive Limitations).
- d. The Board will protect the tax-exempt status of the AOG.

e. The Board will have final approval of changes to the life membership dues.

4.4 The Board's Strategic Plan described in this section lays out how the Board will perform its role in governing the AOG. The Board Strategic Plan is executed over a two-year cycle. The Board documents its governance process in the Bylaws, Governance Policies, FMIP, and the AOG/AFA Foundation MOU. The AOG Board has four core products: 1) linkage to the membership, 2) explicit governance policies, 3) assurance of AOG performance, and 4) AOG/AFA Foundation MOU. The outcome of the Board Strategic Plan is new or changed policies, where needed, for each of its four core products:

- a. Product 1: Linkage to the membership is performed in a variety of modalities including elections, Class Advisory Senate (CAS), AOG communications, chapter and affiliate relations, direct communication, and social media. The Board is responsible for reaching out to AOG members and considering member recommendations to improve linkage.
- b. Product 2: Governing policies will be regularly reviewed to ensure they are clear and appropriate, and if found lacking, will be changed or updated.
 1. Bylaws will be reviewed biennially by a task force appointed by the Governance Chair. The Task Force will conduct its review and report its recommendations to the Board to allow placement on the ballot for the next regularly scheduled election.
 2. A chapter of the Governance Policies will be reviewed at every other Board meeting thus ensuring that the entire manual is reviewed biennially. The Governance Committee will lead the review of these chapters and recommend changes to the Board.
 3. The FMIP will be reviewed biennially by the Board. The Finance and Investment Committee will lead the review of the FMIP and recommend changes to the Board.
 4. The Board's two-year Strategic Plan is developed at the end of each two-year Board cycle. Motions for changes to the Strategic Plan will be presented at the last meeting before the new Board sits. The Strategic Plan is then reviewed and updated as necessary midway through the two-year cycle.
 5. The Board will review and update the Board Meeting Calendar at each meeting to plan for the subsequent meeting.
- c. Product 3: The Board will assure AOG performance by examining Board and CEO performance.
 1. Board performance will be assessed during the Strategic Plan Mid-Cycle Review and will include but not be limited to:
 - a. Board self-assessment, to include effectiveness of its Strategic Plan
 - b. Director self-assessment
 - c. Outside review when the Board deems it useful

2. CEO performance will be assessed jointly by the AOG Board and the AFA Foundation Board through the Joint CEO Evaluation and Compensation Committee (JCECC) against written policy annually.
3. The Chair will nominate, for Board approval, three AOG Board members to be part of the JCECC. The AOG Board members on the committee will gather input on CEO performance from the Board members and bring that input to the JCECC. The JCECC will be responsible for bonus determination (and contract re-negotiation as appropriate).
 - a. JCECC will evaluate the CEO based on the performance standards agreed upon by both Boards and the CEO annually and recommend the evaluation and compensations to both Boards for their approval.
 - b. The JCECC will complete contract re-negotiation and present it to the AOG Board and Foundation Board for approval before the contract expires.
 - c. The JCECC will recommend changes in policy to improve CEO performance and contract negotiation processes, if necessary.
- d. Product 4: AOG/AFA Foundation MOU
 1. The Board will develop objectives for its relationship with the AFA Foundation and review/update them during the Strategic Plan Mid-Cycle Review session.
 2. The Chair will nominate, for Board approval, a task force to re-negotiate the MOU with the AFA Foundation with time to present the MOU for approval prior to current MOU expiration. Negotiations will be done by the task force members approved by the Board and will be directed at achieving the Board's objectives.
 3. The Chair will nominate, for Board approval, a Joint Coordinating Committee (JCC) to represent the Board on matters directed by the MOU. Negotiations will be done by the task force members approved by the Board and will be directed at achieving the Board's objectives.
- e. The Board will follow the calendar at Table 2.
 1. The two-year cycle begins at the start of the new Board year (May meeting in odd-numbered years). Immediately after an election, nominees for the Chair are solicited through email among the existing and incoming Directors. Information is then sent out to all May meeting members describing the candidates. The first order of business at the May meeting following an election is to elect the Chair. The nominee(s) for Chair should coordinate a meeting agenda for the first meeting, if there are more than one.
 2. The Chair is responsible for developing BOD meeting agendas for Board approval and ensuring that there are responsible parties assigned for upcoming tasks.
 3. The Board will review its meeting schedule at each meeting. The Board schedule is policy but may be changed by Board approval without the requirements of the motion-to-vote process.

4. Any Board members desiring to recommend any matter for Board discussion will advise the Chair of such matter upon the call for agenda items. Proposed items must be received by the date specified.
5. The meeting agenda and packet are to be distributed to the Board at least seven days prior to the scheduled Board meeting.
 - a. By an affirmative vote of a majority of the members of the Board, or of those present at a meeting, additional matters may be added to the agenda of any Board meeting.
 - b. Throughout the year, the Board will expeditiously attend to those consent agenda items which have been delegated to the CEO yet are required by law or contract to be Board approved. A request from any Director will remove an item from the consent agenda and that item will be added, for discussion, to the regular agenda.
 - i. A request from any director will remove an item from the consent agenda and that item will be added, for discussion, to the regular agenda.
 - c. The Board will receive monitoring reports at regular Board meeting from the CEO covering compliance with Executive Limitations.

4.5 The Chair assures the integrity of the Board's process and, secondarily, represents the Board to outside parties. Accordingly:

- a. The job result of the Chair is that the Board behaves consistently with its own rules and those legitimately imposed upon it from outside the organization.
 1. Meeting discussion content will be only those issues which, according to Board policy, clearly belong to the Board to decide, not the CEO.
 2. Deliberation will be fair, open, and thorough, but also timely, orderly, and kept to the point.
- b. The Chair is authorized to make decisions that fall within topics covered by Board policies on Governance Process and Board/Staff Linkage, except where the Board specifically delegates portions of this authority to others. The Chair is authorized to use any reasonable interpretation of the provisions in these policies.
 1. The Chair is empowered to chair Board meetings with all the commonly accepted power of that position (e.g. ruling, recognizing).
 2. The Chair has no authority to make decisions about policies created by the Board within Ends and Executive Limitations policy areas. Therefore, the Chair has no authority to supervise, direct, hire or terminate the CEO.
 3. The Chair may represent the Board to outside parties in announcing Board stated positions and in stating Chair decisions and interpretations within the area delegated to her or him.

4. The Chair may delegate this authority but remains accountable for its use.
 5. The Chair may recommend members and a chairperson for each Board committee, unless otherwise stipulated by Board policies or the AOG Bylaws.
- 4.6 The Board commits itself and its directors to ethical, businesslike, and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members. Accordingly:
- a. Board members must represent un-conflicted loyalty to the interests of the membership. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other boards or staffs. It also supersedes the personal interest of any Board member acting as a consumer of the AOG's services.
 - b. Board members are accountable for discharging their duties honestly and in good faith. Board members shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
 - c. Board members must avoid conflict of interest with respect to their fiduciary responsibility.
 1. There must be no self-dealing or any conduct of private business or personal services between any Board member and the AOG except as procedurally controlled to assure openness, competitive opportunity, and equal access to inside information.
 2. When the Board is to decide upon an issue about which a member has an unavoidable conflict of interest, that member shall absent herself or himself without comment from, not only the vote, but also from the deliberation.
 3. Board members must not use their positions to obtain staff employment for themselves, family members or close associates. Should a Board member seek staff employment, he or she must first resign.
 4. Board members will annually disclose their involvements with other organizations, with vendors, or any other associations that might produce a conflict.
 - d. Board members may not attempt to exercise individual authority over the AOG.
 1. Board members' interaction with the CEO or with staff must recognize the lack of authority vested in individuals except when explicitly Board authorized
 2. Board members' interaction with public, media or other entities must recognize the same limitation and the inability of any Board member to speak for the CEO, or for the Board, except to repeat explicitly stated Board decisions.
 3. Board members will give no consequence or voice to individual judgments of CEO or staff performance.
- 4.7 The leadership success of the Board is a direct result of the individual and collective participation of its members. Therefore, each Board member is expected to participate in the following ways:

- a. Attendance - As Board contemplation, deliberation and decision-making are processes which require interaction, collaboration and participation; attendance at Board meetings is expected of all Board members. Directors must be able to afford the time away from his/her profession to attend these meetings and for related work.
 - 1. Board members owe a duty to the membership and should consider offering their resignation if they cannot serve the AOG.
 - 2. Though the Bylaws provide that any Board member who has missed two consecutive meetings may be considered to have resigned, the Board may elect to retain such members if the cause is for military duty or extraordinary circumstances over which the Board member had no control.
- b. Preparation and Participation - Board members will prepare for Board and committee meetings and will participate productively in discussions, always within the boundaries of discipline established by the Board. Each member will contribute his or her own knowledge, skills and expertise to the Board's efforts to fulfill its responsibilities. Silence is assent.
- c. Members as Individuals - the CEO is accountable only to the Board as an organization and not to individual Board members. Accordingly, the relationship between the CEO and individual members of the Board, including the Board Chair, is collegial, not hierarchical.
- d. Voluntarism – As the functioning and success of the AOG depend largely on the involvement and dedication of member volunteers, Board members are strongly encouraged to serve as volunteers on committees, task forces and focus groups. In view of the CEO's responsibility for operational activities and results, members of the Board choosing, as individuals, to act as operational volunteers are subject to the management and direction of the CEO or responsible staff person.
- e. Members in Good Standing – Board members must remain AOG members in good standing.
- f. Contributions – Each Board member is encouraged to make an annual financial contribution to the AOG (such as the Long Blue Line Fund) of at least \$1,000.
- g. Participation in Events – Board members are encouraged to attend and participate in events conducted by the AOG.

4.8 Board committees, when used, will be assigned to reinforce the wholeness of the Board's job and never to interfere with delegation from Board to CEO. Accordingly:

- a. Board committees are to help the Board do its job, never to help or advise the staff. Committees ordinarily will assist the Board by preparing policy recommendations for Board deliberation, or in undertaking activities not delegated to the CEO. In keeping with the Board's broader focus, Board committees will normally not have direct dealings that affect current staff operations.
- b. Board committees may not speak or act for the Board except when formally given such authority for specific and time-limited purposes. Expectations and authority will be carefully stated in order not to conflict with authority delegated to the CEO.

- c. Board committees cannot exercise authority over staff. Because the CEO works for the full Board, the Board will not impede the delegation of authority to the CEO by requiring any approval of executive action by a Board committee.
- d. Board committees are to avoid over-identification with organizational parts rather than the whole.
- e. Committees will be used sparingly and, except as specified in the Bylaws, other short-term tasks should be accomplished by teleconference. Each Board committee shall be assigned specific goals to be accomplished, within the limits of its authority.
- f. This policy applies to any group which is formed by Board action, whether or not it is called a committee and regardless of whether the group includes Board members. It does not apply to committees formed under the authority of the CEO.
- g. A committee is a Board Committee only if its existence and charge come from the Board, regardless of whether its composition includes Board members. The only required Board Committees are those which are set forth in the Bylaws and these policies.
- h. Periodically, the Board may establish task forces or councils that will serve for a limited time to accomplish a limited task. A council may be established to provide advice and recommendations on issues of special concern. Unless otherwise stated, a task force ceases to exist as soon as its task is complete.
- i. The Board Chair shall nominate the Chair and Director members of the committees for approval by the Board. The Committee Chair shall nominate additional members for the committee for approval by the Board. The Chair and CEO shall be considered members of all committees and task forces but shall not count against AOG Director or member requirements or have voting privileges unless the Board approves their committee membership.
- j. The Global Ends Statement, “The AOG of USAFA exists for the benefit of the USAFA and its graduates to the extent of its resources”, applies to all committees.

4.9 Bylaws-Directed Standing Committees

- a. Governance
 - 1. Composition
 - a. The Chairperson is the Vice Chairman of the Board of Directors.
 - b. The members shall be AOG graduate members and will include at least two additional Directors.
 - 2. Means
 - a. Oversee and evaluate AOG governance.

- i. Oversee Board functioning IAW its Policy Governance model.
 - ii. Ensure that AOG practices are consistent with the Bylaws.
 - iii. Ensure strategic planning (business plans) for Board Committees.
 - iv. Establish procedures for the Class Advisory Senate (CAS) to advise the Board of Directors. Ensure that the CAS has an elected president that will serve as an ex-official member of the Board and CAS liaison.
- b. CEO Contracts, Evaluation, and Compensation Committee

1. Composition

With AOG approval, an AOG CEO Contracts, Evaluation and Compensation Committee will be appointed. This committee will be made up of three AOG Board members, who will also be the AOG Board representative to the JCECC.

2. Means

The AOG CEO Contracts, Evaluation, and Compensation Committee will maintain its own written procedures. At the start of every CEO evaluation cycle, the committee will brief these procedures to the AOG Board for its consideration. All CEO assessment actions will be made via the JCECC.

3. Meetings: As called by the Committee Chairman

- c. Nominating

1. Composition.

- a. A Chairperson is appointed by the Chairman of the Board, from among the Directors, with the approval of the Board of Directors.
 - b. The members shall be AOG graduate members: one additional Director and five non-Directors.
 - c. A member who is a candidate may not serve on the Committee

2. Means

- a. Maintain a pool of candidates qualified to serve as directors or committee members.
 - b. Director's elections.
 - i. Ascertain prior to June 30 of even numbered years, in accordance with the Bylaws, the Board's need for candidates and the Board's guidance concerning the skills, talents, and capabilities desired by the Board.

- ii. Nominate at least two times the number of candidates for the total number of Director vacancies.
 - iii. From the entire candidate pool provide, for Board approval, a list of qualified candidates to be placed on the ballot. The committee shall also provide, for information, those candidates not deemed qualified and the reason for disqualification. While the Board may decline to approve nominations from the Committee for any reason, the ballot must include any petition candidate with 25 valid AOG member endorsements.
 - iv. From the list of all qualified candidates provide, for Board approval and recommendation to the membership, a slate of candidates that best offers the skills, talents, and capabilities needed.
 - v. Ensures that the election process and execution are iaw the Bylaws and Board policy to include administrative support conducted by the AOG staff.
 - vi. The Nominating Committee will maintain its own written procedures. At the start of every Director election cycle the committee will brief these procedures to the Board for its consideration.
 - c. Director appointments: Make recommendations to the Chair on qualified candidates for appointment to the Board.
- 3. Meetings: As called by the Committee Chairperson.
- d. Finance & Investment
 - 1. Composition:
 - a. The Committee Chairperson, the AOG Board Treasurer, is appointed by the AOG Chairman of the Board with approval by the Board of Directors.
 - b. The members shall be AOG members, including at least one additional Board Director, who are experienced in financial or business management matters. If the Treasurer is not a Director, there will be at least two Board Directors on the Committee.
 - 2. Means
 - a. Establish a financial management and investment policy for the AOG.
 - b. Establish the AOG's investment policy through its Investment Sub-Committee. The composition of the Sub-Committee shall be at least one Board member and no more than four other members approved by the Finance & Investment Committee.
 - c. Review and propose appropriate changes to the Financial Management and Investment Policy (FMIP).
 - d. Oversee the financial conditions, investments and contributions to the AOG.

- e. Review the annual budget for approval by the AOG Board of Directors.
 - f. Review quarterly financial reports for presentation to the AOG Board of Directors.
3. Meetings: As called by the Committee Chairperson, in coordination with the CEO
- e. Audit
 - 1. Composition
 - a. The Chairperson is appointed by the AOG Chairman of the Board, from among the Directors, with approval by the Board of Directors.
 - b. The members shall normally be AOG members, and will include an additional Director. The Committee Chair, with Board approval, may add a non-Grad member, at his/her discretion, to provide a specific skill set. Members of the Audit Committee shall have financial experience and at least one member shall be a certified public accountant, if possible.
 - 2. Means
 - a. Oversee the annual auditing process of the AOG books and records.
 - b. Report the results of the audit to the AOG Board of Directors.
 - 3. Meetings: As necessary to oversee the annual AOG auditing process.
 - f. Heritage and Tradition
 - 1. Composition:
 - a. Committee Leadership:
 - i. Chairperson is appointed by the AOG Chairman of the Board with approval of the Board of Directors.
 - ii. Staff is appropriate AOG staff.
 - b. Committee Composition:
 - i. Chairperson will be a member of the Board of Directors.
 - ii. At least one other member will be a member of the Board of Directors.
 - iii. Other members will be from the graduate community at large.
 - iv. Every effort will be made to have a member from each decade.
 - 2. Means:

- a. The Heritage Committee will maintain its own written procedures. Changes to these procedures will be briefed to the Board for its consideration.
 - b. Review current heritage programs, definitions, and procedures and document, revise, and institutionalize them as necessary.
 - c. Develop new ways of using current heritage programs to better publicize the accomplishments of graduates.
 - d. Consider ways and provide opportunities to educate and inform all classes on the legacy of the Long Blue Line.
 - e. Develop additional heritage programs that are consistent with established policies.
 - f. Promote traditions of the Association of Graduates that reflect positively on its position within the graduate community and the nation.
 - g. Review proposals for new heritage programs and projects.
 - h. Determine whether proposals comply with current AOG policies.
 - i. Review all proposals for the Heritage Trail and make recommendations to the Board for approval.
 - j. Provide status reports on current heritage programs and projects to the Board upon request, but at least annually.
 - k. Advise USAFA staff on USAFA generated heritage programs and projects on behalf of the Board.
 - l. With AOG staff, attend USAFA Memorial Board meetings.
 - m. Review AOG staff recommendations for additions to the War Memorial.
 - n. Provide recommendations to the Board.
 - o. Work with AOG staff to review and update policies, as necessary.
3. Meetings: As required, but no less than quarterly.

4.10 Other Standing Committees

- a. Distinguished Graduate Award
 - 1. Composition:
 - a. The Board shall appoint a Chairman.

- b. The AOG identifies the other Committee members in conjunction with USAFA.
2. Means.
 - a. The Committee will maintain its own written procedures to execute HQ USAFA Instruction 26-2815, Distinguished Graduate Award. At the start of every DG Award cycle the committee will brief these procedures to the Board for its consideration.
 3. Meetings: As called by the Chairman.
- b. Awards and Recognition Committee
1. Composition:
 - a. Committee Leadership:
 - i. The Board shall appoint a Chair and a second Director.
 - ii. AOG staff support as appropriate.
 - b. Committee Composition:
 - i. Chairperson will be a member of the Board of Directors.
 - ii. Five members will be Directors of the AOG.
 - iii. Two other members will be from the graduate community at large.
 2. Means:
 - a. Review current award programs, definitions, and procedures and document, revise, and institutionalize them as necessary.
 - b. Develop new ways of using award and recognition programs to better discover the accomplishments of graduates.
 - c. Consider ways and provide opportunities to enhance the legacy of the Long Blue Line.
 - d. Develop additional award and recognition programs that are consistent with established policies.
 - e. Use awards to reflect positively on the AOG's position within the graduate community.
 - f. Review proposals for new awards and recognition programs. Determine whether proposals comply with current AOG policies.

- g. Provide status reports on current award programs to the Board upon request, but at least annually.
 - h. Advise USAFA staff on USAFA generated award programs on behalf of the Board.
 - i. Review AOG staff recommendations for additional award programs. Provide recommendations to the Board.
 - j. Work with AOG staff to review and update policies, as necessary.
3. Meetings: As required, but no less than quarterly.

4.11 Because poor governance can cost the AOG far more than good governance, the Board will invest in its governance capacity. Accordingly:

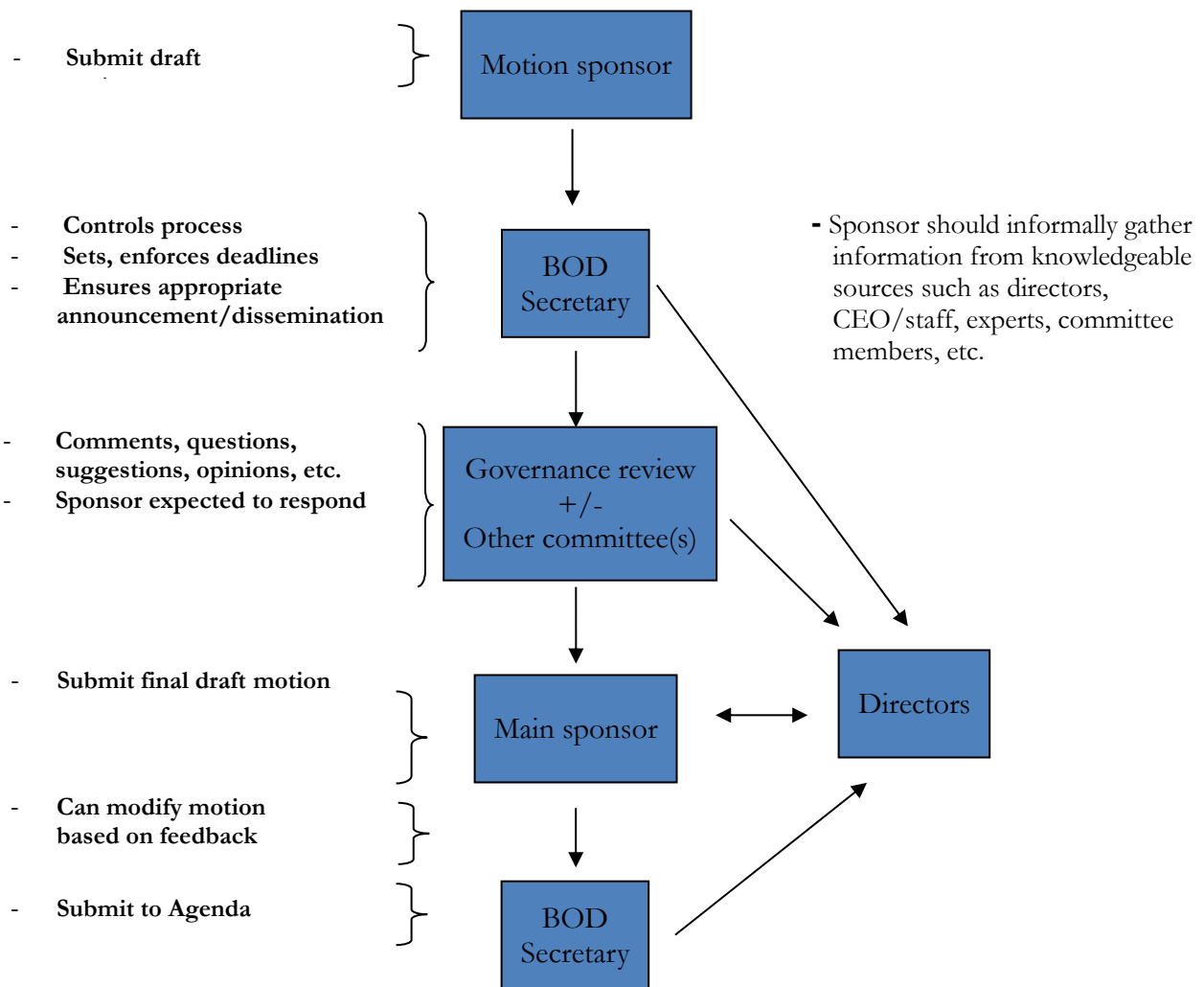
- a. Board skills, methods, and supports will be sufficient to assure excellence in governing.
- b. Training and retraining will be used appropriately and as needed to orient new members, as well as to maintain and increase existing member's skills and understandings. Outside monitoring assistance will be arranged so that the Board can exercise confident control over organizational performance. This includes, but is not limited to, a fiscal audit.
- c. Outreach mechanisms will be used as needed to ensure the Board's ability to listen to member viewpoints and values. The Class Advisory Senate (CAS) will be a major contributor to this ongoing effort.
- d. Costs will be prudently incurred, though not at the expense of endangering the development and maintenance of superior Board governance capability. Each year the staff-prepared budget will include funds as needed for: Board training, including publications, conference and workshop attendance; audit and other third-party organizational performance monitoring; surveys, focus groups and opinion analyses; Board hosted membership linkage/outreach events; and Board meetings and retreats.

The Board will establish its Cost of Governance budget for the next fiscal year each year during the annual budgeting process.

Table 4.1

BOD Motion-to-Vote Process

Applies to motions that change the policies, procedures, or processes to be included in this manual, FMIP, etc.



NOTES:

- Process starts with Secretary acknowledgement of motion receipt
- The process is open with communication flowing between all parties
- If secretary fails to acknowledge within three days, any director can assume the secretary's task until the secretary resumes executing the process
- Motion submission at no later than three weeks prior to target Board meeting
- Process to be complete no later than one week prior to target Board meeting
- Committee failure to respond is considered recommendation without comment
- Directors are expected to use this period to become knowledgeable with the purpose and meaning of the motion, suggest changes, etc.
- Once through this process, Motions are voted on 'as-is'
- This process can be suspended by a majority vote of the Board.

Board Calendar

ODD YEARS		EVEN YEARS	
January	Conduct CEO Evaluation	January	Conduct Board Self-Assessment
			Conduct CEO Evaluation
February	<u>BOD meeting (virtual + sep. AOG member update)</u>		
	CEO Review of AOG Performance	February	<u>BOD meeting (virtual + sep. AOG member update)</u>
	Gov Policy Chap 4/Calendar/Schedule Motions		CEO Review of AOG Performance
	Joint CEO Eval & Comp Committee Report		Review Board Self-Assessment
	AOG & Joint Committees/CAS Reports		BOD Strat Plan (Gov Policy 4.4) Mid-Cycle Review
	Provide Investment Report		Board Calendar Mid-Cycle Review
	AOG Elections Update		Gov Policies Chap 2 Motions
	CEO Plan to Achieve Strategy in Coming Year		Joint CEO Eval & Comp Committee Report
			AOG & Joint Committees/CAS Reports
March	Board Secretary Certifies Election Results		Approve Election Timeline and Rules
	Board Considers Director Appointments		Appoint Bylaws Review Task Force
	Nom Committee Seeks Candidates for Chair		Provide Investment Report
			CEO Plan to Achieve Strategy in Coming Year
April	Founders Day/Distinguished Grad Award Dinner		
		April	Founders Day/Distinguished Grad Award Dinner
May	BOD Orientation Day Prior to BOD meeting		
	<u>BOD meeting (in person)</u>	May	<u>BOD meeting (in person)</u>
	Select Chair and Board Officers		CEO Review of AOG Performance
	CEO Review of AOG Performance		Complete Conflict of Interest Statements
	Name new AOG & Joint Committees		Assign Gov Policy Chap 3 Review
	Complete Conflict of Interest Statements		Board Charge to Nom Comm for Elections
	Assign Gov Policy Chap 1 Review		Bylaws Review Task Force Motions
	AOG & Joint Committees/CAS Reports		AOG & Joint Committees/CAS Reports
	Review Endowments		Review Endowments
	Review Audit Report		Review Audit Report
	Joint social event with CAS		Joint social event with CAS
August	<u>BOD meeting (virtual)</u>	August	<u>BOD meeting (virtual)</u>
	CEO Review of AOG Performance		CEO Review of AOG Performance
	Gov Policies Chap 1 Motions		Provide Governance Policy Chap 3 Motions
	AOG & Joint Committees/CAS Reports		Bylaws Review TF Recommendations
	Review Investment Report		AOG & Joint Committees/CAS Reports
	Nominate non-Director Committee Members		Review Investment Report
	Review IRS Form 990		Review IRS Form 990
October	AOG Business Plan to Directors	October	AOG Business Plan to Directors
November	<u>BOD meeting (in person)</u>	November	<u>BOD meeting (in person)</u>
	CEO Review of AOG Performance		CEO Review of AOG Performance
	Assign Gov Policy Chap 2 Review		FMP Update
	AOG & Joint Committees/CAS Reports		Assign Gov Policy Chap 4/Calendar/Sched. Review
	Distinguished Graduate Award Selection		Approve Bylaw Changes for Ballot
	Approve Budget		Approve Nom Comm Rec's for Ballot
	BOD Strategic Review (for term)		AOG & Joint Committees/CAS Reports
	Jt soc event w/AFAF w/org update & strategy check		Distinguished Graduate Award Selection
			Approve Budget
			AOG Election Communication Plan to Directors
			Jt soc event w/AFAF w/org update & strategy check
NOTE: Recommend annual virtual mtg w/AFAF EXCOM & AOG BOD Recommend annual virtual mtg with CAS			

Change 1	Policy and Procedures Manual, 2nd Edition, approved by Board	Pages: all; incorporates all changes to 1st Edition as of 1 May 2015	1 May 2015
Change 2	Add verbs to calendar tasks, add non-Director committee nominations to odd year August meeting	Table 2, page 19	7 Aug 2015
Change 3	Change AOG Reserve growth from 1.5M to 2M.	Section 2.6a	5 February 2016
Change 4	Replace “Strategy” with “Operational Plan	3.3C, 3.4, 3.4A, 3.4B, 3.4E	13 May 2016
	Change to read "The CEO is the Board’s only link to the AOG’s operational...”	Section 3.2	13 May 2016
Change 5	Adds references to Committee Policies as attachments	4.9 A. 2b; 4.9 B.2.b; 4.9 E. 2; 4.10 A. 2. Added Attachment section to Table of Contents	3 Feb 2017
Change 6	Adopted DG Award Procedures		3 Aug 2018
Change 7	Revised Calendar, Table 2; Clarified wording; reflects CEO Evaluation Task Force Report to take place each July	Table 2, page 24	9 Feb 2019
Change 8	Change “plan” to “policy”	4.9a	10 May 2019
Change 9	Changed to read: The Board shall appoint a Chair and a second Director	4.10a.1.a	10 May 2019
Change 10	Replaced the “Ends” with a new “Ends” statement.	1.0	26 Aug 2019
Change 11	Change to BOD Calendar		19 Feb 2021
Change 12	Remove “will nominate”	4.4 c.3	19 Feb 2021
Change 13	Replace “serving” with “serve”	4.9 a.2	19 Feb 2021
Change 14	Add CEO Contracts, Evaluation, and Compensation Committee	4.9-page 17	19 Feb 2021
Change 15	Replacing wording with “AOG staff support as appropriate”	4.10 b.1.a.ii	19 Feb 2021
Change 16	Change “require” to “required”	4.10 3	19 Feb 2021
Change 17	Added CEO and President & COO	2.7	19 Feb 2021

Attachments to the Board Governance Policies

Attachment 1:	Heritage and Traditions Committee Instruction	Page 27
Attachment 2:	Nominating Committee Guide	Page 30
Attachment 3:	CEO Evaluation and Compensation Committee Procedures	Page 33
Attachment 3a:	Incentive Compensation Agreement (Example)	Page 34
Attachment 4:	Distinguished Graduate Committee Procedures	Page 37

Attachment 1

USAFA Association of Graduates Heritage and Traditions Committee Instruction

Version 1
7 February 2014

This instruction implements USAF Association of Graduates Bylaws, Sec. 6 para. e, adopted 6 May, 2011 and references Hq. USAF Academy Instruction 36-3102, 18 June 2008 (certified current 30 July 2012 and USAF Instruction 36-3108, 31 August, 2011. It further defines the organization, responsibilities, and operating general procedures and provides general guidance that the Heritage and Traditions Committee uses to evaluate requests for memorials and items addressing USAFA traditions as spelled out in the referenced bylaws. It applies to all USAF Academy graduates and to other organizations and individuals who offer to seek memorialization through the Association of Graduates. Refer recommended changes and conflicts between this and other publications to the Chairman of the Heritage and Traditions Committee.

This instruction remains subordinate to the Association of Graduates Bylaws and Policy & Procedures Manual. It remains current and in effect until modified or changed by the Heritage and Traditions Committee Chairman with Board approval. When superseded, the instruction will be given the next Version number, a current date, and changes will be identified by a vertical line in the margin accompanying the accepted changes.

1. General Information

The Heritage and Traditions Committee (The Committee) is established as a standing committee of the USAFA Association of Graduates (AOG) Board of Directors. The Committee is vested with;

- i. Promoting and preserving the legacy of the Academy
- ii. Developing AOG heritage policies and projects
- iii. Reviewing proposals from classes and individuals for new heritage programs and projects
- iv. Representing the class, individual, and/or the AOG on proposals approved by the Board and presented to the Academy through the Memorial Board or other requisite Academy councils, committees and approval authorities.
- v. Advising the AOG Board and the Academy on the Academy-generated heritage policies, programs, and projects
- vi. Evaluating all requests to place names on the Graduate War Memorial Wall

2. Objective

The Heritage and Traditions Committee has been constituted to advise the AOG Board on all aspects of memorialization at the Air Force Academy. It establishes procedures for the presentation of memorial projects (subject to Board approval), develops and coordinates guidelines for evaluating proposed memorials brought before the AOG Board, and recommends those items that merit placement at locations maintained under the auspices of the AOG. The Committee ensures consistency and adherence to long-term AOG and Academy goals by carefully examining and

vetting all memorialization requests in light of precedent and future impacts upon the AOG and the USAF Academy.

3. Purpose

Because memorialization at the USAF Academy concerns all members of the Air Force, the Committee operates on the premise that acceptance of proposed memorials must be founded on principle, history, and merit and not personality and emotion. Memorials should enhance the USAF Academy mission, the image of the AOG, and the graduate community in a discernable way. The Committee fully uses the expertise of all Academy and AOG organizations in its decision-making process. It will regularly call on any and all available graduate assets to vet and reach final recommendations to the Board.

4. Memorials

A memorial is the recognition of an individual or a group that provides lasting honor and pays tribute to deceased as well as living military and civilian personnel with records of outstanding and honorable service. Examples of the characteristics of appropriate memorials are as follows:

- i. Useful and inspirational value to the Cadet Wing
- ii. Physical and aesthetic enhancement of the USAF Academy
- iii. Contribution to the heritage of the USAF Academy
- iv. Recognition of accomplishments and contributions to the USAF Academy, the Air Force, and the Nation
- v. Documented acts of heroism by USAF Academy graduates, Air Force leaders, or air-related units
- vi. Pioneering achievements in the development of aerospace power
- vii. Consideration of precedents and probable impact on the USAF Academy

5. Responsibilities

- i. Meetings. The Heritage and Traditions Committee meets quarterly, or at the call of the Chairperson to consider memorial and/or traditional issues and must have a quorum of voting members as defined in the AOG By-laws.
- ii. Official Approval. Approval of meeting minutes constitutes official Committee endorsement of the recommended procedures, positions, or actions contained therein
- iii. Records. The AOG Staff serves as the office of record for the Committee by maintaining copies of all minutes and attendant memorial case files.
- iv. Submissions. The originator may send proposal requests, in writing, to the Committee for inclusion as agenda item for the next meeting. The originator is expected to develop and present the proposal in sufficient detail with justification and background information to enable Committee deliberation on all its merits
- v. The Chairperson may assign a committee member as a liaison to assist the originator in getting the proposal through the committee process

- vi. The originator may be asked to appear before the Committee to present his proposal and be available to answer any questions and/or concerns of the Committee

6. Reporting

Actions, advice, recommendations, and decisions made by the Committee will be reported to the AOG Board at the discretion of the Committee chairperson. These reports may be in verbal or written format and contain sufficient detail to support the deliberations of the Committee. If required by the Board, Committee reports may include in-person briefings by the originator and other materials or persons deemed necessary by the Committee chairperson to aide in Board deliberations.

References: USAFA Association of Graduates Bylaws, dated: 6 May 2011
Policy Manual dated: 2 August 2013

Signed,
Bruce A. Wright, Lieutenant General, USAF (Retired)
Chairman
Heritage and Traditions Committee

Attachment 2

Nominating Committee Guide

Approved by the AOG Board 2 Feb 2017

Nominating Committee: The Nominating Committee will operate in accordance with the Bylaws and Board of Directors Operating Policies. The Chairperson will be appointed by the Chairman of the Board from among the Directors and be approved by the Board. The members will be Graduate AOG Members, one additional Director and five non-Directors. As with the Board, the Committee may act with a quorum represented. The Committee Chair will recruit the non-Board Members of the Committee. A Member who is an applicant for the Board may not serve on the Committee.

Definitions:

1. **Applicant:** an AOG Member who has applied to be on the ballot and submitted a package to the Nominating Committee IAW the appropriate process. Can either be self-initiated or sought by the Nominating Committee.
2. **Petition Candidate:** an AOG Member who has submitted a petition with 25 AOG member endorsements and followed the appropriate process needed to be placed on the ballot without further review by the Board.
3. **Candidate:** an applicant who has been considered and recommended by the Nominating Committee then approved by the Board to be on the ballot.
4. **Ballot:** the list of candidates to be included in the election.
5. **Board Slate:** a list of candidates on the ballot that the Board may recommend to the membership that best offers the skills, talents and capabilities needed. The Board Slate is derived from both the Candidates and Petition Candidates.

Duties: The Nominating Committee is charged with the following duties:

1. Develop and seek Board approval of the desired attributes for Candidates for each election.
2. Recruit Members to serve on the Board
3. From the entire Applicant pool; which includes Candidates recruited by the Committee, Applicants who submit their nomination to the Committee, and Petition Candidates, provide to the Board for approval a list of qualified Candidates to be placed on the ballot. Petition Candidates must be included on the ballot.
4. Provide to the Board, for information, the Applicants not deemed qualified and the reason for disqualification. Petition candidates are not otherwise subject to Committee review except that their petition endorsements must comply with the Bylaws.
5. Nominate at least twice the number of Candidates for the total number of elected Board vacancies.
6. Coordinate with the AOG staff to ensure the election process and execution are IAW the Bylaws and Board Policies to include administrative support by the AOG staff.
7. Maintain a pool of AOG Members qualified to serve as Directors.
8. Seek guidance from the Board Chair on desired attributes for appointed Board positions.
9. Make recommendations to the Board Chair on qualified candidates for appointment or replacement to the Board.

Procedures:

1. There are three ways for a Member to get on the ballot for election to the Board of Directors:
 - a. Be recruited by the Nominating Committee. (Requires endorsement of three AOG Members.)
 - b. Submit a nomination package to the Nomination Committee. (Requires endorsement of three AOG Members.)
 - c. Petition onto the ballot with the endorsement of 25 AOG Members. (Those qualified must be placed on the ballot.)
2. The AOG will publicize:
 - a. The skills, talents and capabilities being sought, the method of volunteering for consideration by the Nominating Committee, the timeline and to who volunteer packages should be sent.
 - b. That any qualified Graduate Member may have their name placed on the ballot without review or consideration by the Nominating Committee by submitting a petition showing support of at least 25 AOG members by their signature and AOG ID Number.
 - c. The documents required in the nomination package.
3. Election of Directors will be held in odd-numbered years in the February – March timeframe. The Board may adjust that schedule in extraordinary circumstances.
4. The Board Chair will notify Members selected to be Directors.
5. The Board Chair will notify the Membership of the result of any questions on the ballot.
6. The Nominating Committee Chair will notify those Members not selected.

Timeline (Not later than dates.):

1. May, odd years: The Board Chair will appoint a Nominating Committee Chair, Director Member and Director Alternate.
2. December, odd years: The Committee Chair will recommend for Board approval the non-Board Members of the Nominating Committee.
3. February, even years:
 - a. The Chair of the Nominating Committee will brief the Board on the key elements of this Guide with any recommended changes.
 - b. Administrative procedures and timeline for the election will be provided to the Board by the AOG staff, which is responsible for the planning and administrative execution of the election, for approval.
4. May, even years:
 - a. The Committee Chair will recommend for Board approval the desired attributes for the next election.
 - b. The Committee Chair will coordinate with the AOG staff as to the documents required in the Applicant packages.
5. August, even years: The Committee will inform the Board of its current list of Members qualified to serve as Directors and the key Board desired attributes of each in an easily understood format (example at Atch 1)

6. December, even years:
 - a. Three weeks prior to the December Board meeting the Committee will provide its rank-ordered list of all Applicants for the election with a summary of their qualifications, biographies, and candidate statements. The Committee will list the Petition Candidates that must be on the ballot, along with the Candidates it recommends to be on the ballot, in rank order.
 - b. At the December Board meeting the Board will consider the Committee's recommendations and approve a ballot to include not less than twice the number of candidates as there are elected Director positions available.
 - c. At the December Board meeting if the Board chooses to produce a Board Slate, it may use the rank-ordering of Candidates provided by the Committee. There is no set number for the Board Slate.
 - d. The Committee Chair will notify those Applicants not approved by the Board.
7. April, odd years: The Board Chair will notify those Directors elected by the membership. The Committee Chair will notify those Candidates not elected.
8. May, odd years (or as needed): The Committee will make recommendations to the Board Chair for appointed or replacement Director positions. The Committee's list of election candidates may serve as its recommendation in the absence of a fully formed Committee.

Attachment 3

Ceo Evaluation And Compensation Committee Operating Procedures

Approved by the AOG Board 3 Feb 2017

CEO Evaluation and Compensation Committee: The CEO Evaluation and Compensation Committee will be chaired by the Vice Chair and consist of two additional Board Members, approved by the Board. The Committee will comply with the Bylaws and Board Governing Policies.

Duties: The CEO Evaluation and Compensation Committee will:

1. Based on the CEO's Operational Plan for the year, develop, in conjunction with the Chair, the Annual CEO Goals for approval by the Board.
2. If the CEO Employment Agreement requires it, draft an Incentive Compensation Agreement (ICA) based on the CEO's Annual Operational Plan for Board approval. (Example attached.)
3. Conduct the Annual CEO Evaluation by the Board.
4. Provide the documentation of the results of the Annual CEO Evaluation to the Board for approval, to include salary adjustments, if warranted.
5. Evaluate CEO performance with respect to the ICA and make recommendation to the Board.

Procedures:

1. Obtain a copy of the CEO's Operational Plan.
2. Prior to the beginning of the fiscal year, draft the Annual CEO Goals, in conjunction with the Board Chair and CEO, for approval by the Board.
3. Draft a CEO ICA based on CEO's Operational plan, for approval by the Board.
4. As soon as the fiscal year accomplishments are available, conduct the Board CEO Evaluation, based on the Annual CEO Goals.
5. NLT two month after the conclusion of the fiscal year, provide the Board the results of the evaluation to include any salary adjustments.
6. Obtain organization accomplishments based on the ICA.
7. Evaluate the organization accomplishments against the ICA and recommend to the Board the bonus earned.

**Incentive Compensation Agreement
Between
Association Of Graduates Of The
United States Air Force Academy
And XXXXXXXX XXXXXXXX**

THIS INCENTIVE COMPENSATION AGREEMENT (this “Agreement”) is made to be effective as of XX XXXX, XXXX (the “Effective Date”) by and between the ASSOCIATION OF GRADUATES OF THE UNITED STATES AIR FORCE ACADEMY, a nonprofit corporation incorporated under the laws of the State of Colorado (the “Association”), and XXXXXXXX X XXXXXXXX (the “Employee”).

Recitals

A. The Association and the Employee have entered into an Employment Agreement (the “Employment Agreement”), dated X XXXX, XXXX, by means of which the Association has offered continued employment to the Employee upon certain terms and for certain reasonable compensation and other benefits, and the Employee has accepted employment on such terms.

B. The Association desires to supplement that Employment Agreement and to offer an inducement to the Employee’s continuing employment in the form of an arrangement to permit the Employee to earn additional compensation upon the Association and the Employee meeting certain performance criteria.

C. The term of this Agreement shall begin on the Effective Date and shall continue for one year, until XX XXXX, XXXX, or until terminated as set forth elsewhere in this Agreement.

Terms of Agreement

A. *Calculated Bonus.* The Association shall pay a calculated bonus in any amount up to \$15,000, which amount, after reduction for all deductions required by law, shall be paid no later than 45 days after the end of the second year’s period of performance. The following performance standards, which support the Board of Directors’ stated Ends, shall be calculated on XX XXXX, XXXX and employ the Effective Date of this Agreement as the starting date from which any changes are measured, as well as any annual values calculated:

1. Constituent Engagement - \$5,250 (35% of Calculated Bonus)
 - a. Increase Graduate Membership by 2% - \$600
 - b. Increase Graduate Membership by greater than 3% - additional \$700
 - c. Increase LMAG by 10% - \$800
 - d. Increase LMAG by 15% - additional \$750
 - e. Establish recurring contact with all Parents Club Presidents at least four times a year - \$800

- f. Provide enhanced tools for chapters and ambassadors to further work together and better integrate their efforts into our communication apparatuses - \$800
 - g. Maintain number of active Chapters - \$300
 - h. Increase number of Chapters by 3 – additional \$500
2. Membership Services and Acquisitions - \$3,750 (25% of Calculated Bonus)
 - a. Conduct a membership survey for the entire organization - \$750
 - b. Develop a comprehensive career platform that encompasses the entire spectrum of “career services” - \$750
 - c. Enhance our online mentorship opportunities - \$750
 - d. Redesign and roll out a new web site platform - \$750
 - e. Ensure all Reunions use AOG planning - \$750
 3. History and Heritage - \$2,250 (15% of Calculated Bonus)
 - a. Digitize all classes’ yearbooks - \$250
 - b. Develop a notional master plan for Heritage Trail - \$1,000
 - c. Develop a History & Heritage Marketing Plan for classes and other donors - \$1,000
 4. Financial Improvements - \$3,750 (25% of Calculated Bonus)
 - a. Consolidate or eliminate excess or unused restricted funds - \$1,500
 - b. Work closely with the AFA Foundation to create “sellable” projects to offer donors - \$1,250
 - c. Migrate Raiser’s Edge to the new and upgraded version of NXT - \$500
 - d. Improve stewardship reporting to donors specifying how funds were used to support programs - \$500

B. *Discretionary Bonus.* The Association may pay a discretionary bonus in any amount up to \$5,000, in the sole discretion of its Board of Directors, which amount, after reduction for all deductions required by law, shall be paid no later than 45 days after the end of the first year’s period of performance. The discretionary bonus will be primarily based upon movement of the Association and the AFA Foundation closer toward a Single CEO, supporting the AFA Foundation in its fundraising efforts, as well as the overall performance of the Association.

C. *Termination.* This Agreement shall terminate upon the earlier to occur of the termination of the Employment Agreement for any reason or XX XXXX, XXXX. In the event of termination of this Agreement through termination of the Employment Agreement, the Association shall have no obligation to pay to the Employee either the calculated bonus or the discretionary bonus. In the event of termination by expiration of this Agreement on XX XXXX, XXXX, the Association shall pay to the Employee all amounts required under the calculated bonus and all amounts the Board of Directors determines properly payable under the discretionary bonus. Upon payment of such amounts, the Association shall have no further obligations to the Employee under this Agreement.

D. *General Provisions.* The following general provisions apply to this Agreement:

1. This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to its subject matter. In the event of any conflict between the terms of this Agreement and the terms of the Employment Agreement, the terms of this Agreement shall control.

2. If any of the terms, conditions, agreements and/or restrictions in this Agreement are held invalid by a court of competent jurisdiction, such holding will not invalidate any of the other terms, conditions, agreements and/or restrictions herein, as it is intended that the terms, conditions, agreements and/or restrictions herein shall be severable and that the invalidity of one shall not invalidate any others.
3. This Agreement may not be changed or modified, in whole or in part, except in writing, signed by all parties to this Agreement.
4. The terms and conditions of this Agreement shall be construed in accordance with the laws of the State of Colorado.

IN WITNESS WHEREOF, the Association has caused this Agreement to be executed by its duly authorized representative, and the Employee has signed this Agreement, all to be effective on XX XXXX, XXXX.

Date: _____

XXXXXXXX X XXXXXXXX
President & CEO, Association of Graduates

Date: _____

XXXXXXXX XXXXXXXX
Chairman of the Board

Attachment 4

AOG Distinguished Graduate Procedures Approved by the AOG Board 3 August 2018

Purpose: This document outlines the AOG Board of Directors and AOG staff procedures involved in executing HQ USAFA Instruction 36-2815, *Distinguished Graduate Award*. The award was established by the Air Force Academy and the Association of Graduates in April 1999 and first given in April 2002.

The Distinguished Graduate Award was established to:

- Recognize outstanding performance by graduates who have demonstrated a lifetime of service to the nation.
- Favorably promote the Air Force Academy and its graduates.
- Promote and increase awareness of graduate heritage among alumni and cadets.

This document describes the process by which the AOG Board of Directors and AOG staff administer the program.

Timeline and Process:

May: The Chairman, AOG Board of Directors, chooses a member of the Board to serve as Chair, Distinguished Graduate Award Nominating Committee, and a second Director to serve on the Committee. The Distinguished Graduate Award Nominating Committee should be primarily comprised of non-Directors and consist of no more than six members, including the two Directors.

June: The Distinguished Graduate Award Nominating Committee and the AOG staff will canvas AOG members for nominations. Announcements in AOG communication products, to include *Checkpoints* magazine and on-line newsletters, will invite graduates to submit nominations. Additionally, the Nominating Committee will develop a plan to involve other influential graduates in soliciting nominations.

As described in HQ USAFA Instruction 36-2815, nomination packages should be divided into the following three sections:

- Section I. A cover letter from the nominating source.
- Section II. A page with administrative data to include the nominee's name, present position and duty title, prior awards and decorations, and mailing address.
- Section III. A three-page maximum, typed narrative describing the nominee's lifetime of achievement.

HQ USAFA Instruction 36-2815 describes the criteria: "Award selection is based on a lifetime of achievement that is of such significance as to set the individual apart from their contemporaries. Individuals must be able to attend the presentation in order to be selected. Posthumous nominations will only be considered in rare instances."

September: Nomination packages are due to the AOG no later than 30 September.

The Chair, Distinguished Graduate Award Committee will work with the AOG staff to create a five-person Selection Committee. This Selection Committee should be comprised of:

1. The Chair, Distinguished Graduate Award Committee, who will also chair this Committee.
2. The President and CEO of the AOG, or a designated representative from the AOG staff.
3. A Distinguished Graduate Award recipient.
4. A Distinguished Graduate Award recipient.
5. A member of the AOG who is not on the AOG Board of Directors.

NOTE: While complying with this Committee composition, ensure that one member of the committee is currently on the USAFA staff.

NOTE: For continuity and consistency, attempt to have board members (particularly the DGA recipients) participate for more than one year.

October: The AOG staff will work with Selection Committee members to identify a date for the Committee to meet.

The AOG staff will prepare books for each Selection Committee member. The books will include: a copy of HQ USAFA Instruction 36-2815; a list of previous winners; individual and consolidated scoring sheets; a participation sheet identifying nominees' membership and involvement in AOG and Academy programs; a timeline; and the nomination packages.

The AOG staff will distribute the books to Selection Committee members.

Selection Committee members will review the packages, rate each nominee on the score sheets, and return the completed score sheets to the AOG staff.

The AOG staff will consolidate the scores into one sheet, so that when the Selection Committee convenes, members will be familiar with the nominees' qualifications and the other Selection Committee members' votes.

November: Once the Distinguished Graduate Award recipients are selected, AOG staff will assume control of the process, which culminates with the Founders Day celebration in April.

The AOG staff will first prepare congratulatory letters for each selectee. These letters will be signed by the Superintendent and a senior member of the AOG Board of Directors.

When the letters are signed, the Chair, Selection Committee or a representative will notify the recipients of their selection, confirm their willingness to accept the honor, and request permission to conduct a background check.

Upon satisfactory completion of the background checks, the AOG staff will work with the selectees on tasks such as publicizing/documenting their selection and drafting the wording of the plaques.

The AOG staff will notify and work with Academy protocol officers, who will build the Distinguished Graduate Award recipients' schedules for when they are at the Academy in April.