

# BYLAWS OF THE DAEDALIAN FOUNDATION

## Preamble: History of Bylaws and Amendments

*The Daedalian Foundation was chartered in the State of Texas on 24 April 1959. Its Bylaws were approved by the Board of Trustees on 30 July 1959. Then amended by the Board of Trustees, 21 January 1960; 10 February 1977; 24 May 1980; 14 May 1982; 1 September 1983; 29 July 1987; 9 February 1989; 31 October 1991; and 14 May 1992. Then amended, in joint Board meetings, by the Order of Daedalians and Daedalian Foundation, 14 January 1993, 26 January 1995; 12 October 2000; 18 July 2013; mission change 16 April 2015 and most recently on 14 February 2022.*

### **CHAPTER I: Foundation Name**

The name of the Foundation shall be the Daedalian Foundation.

### **CHAPTER II: Mission**

Inspire and empower America's youth to become military aviators.

### **CHAPTER III: General Agency Structure**

Section 1. The Daedalian Foundation (“the Foundation”) -- founded by the Order of Daedalians, Inc. (“the Order”) -- shall be operated not for profit. No part of the capital or earnings of the Foundation shall inure to the benefit of any member of the Order or any other individual, except as may be necessary for carrying out the objectives and purposes of the Foundation. No part of its activities shall be employed to influence legislation or to intervene in any political campaign.

Section 2. The Foundation shall have no members.

Section 3. The Foundation shall be governed by a Board of Trustees (collectively “the Board”). In accordance with Chapter VIII, a regular business can be passed by the Board when properly before it, with a quorum, and when earning a majority vote in support (“the majority of a quorum”). Special thresholds in other circumstances shall be noted within these Bylaws.

Section 4. The Board shall hold regular business meetings, including its Board of Trustees End-of-Year Meeting held each Fall. By Chapter VIII, new Trustees, Officers, budgets, and reports shall be considered and approved during the Board of Trustees End-of-Year Meeting.

### **CHAPTER IV: Chairman**

Section 1. The Foundation shall be overseen by a Chairman, selected and appointed by the Order Board of Directors. The Chairman shall have no term limits and shall serve exclusively at the pleasure of the Order Board of Directors.

Section 2. The Chairman shall serve as a voting member of both the Daedalian Foundation Board of Trustees and the Order's Board of Directors, representing the Foundation. The Chairman shall be entitled to the same rights as other Officers and Trustees.

## **CHAPTER V: Executive Director**

Section 1. An Executive Director shall be nominated by the Chairman and confirmed by a majority of a quorum.

Section 2. The Executive Director shall serve as a voting member of the Board, and shall be entitled to the same rights as other Officers and Trustees. The Executive Director shall have no term limits, holding their position until relief or resignation. Removal of an Executive Director requires a majority of a quorum.

Section 3. The Executive Director shall serve as the Foundation's Chief Executive Officer and state registered agent, responsible for daily operations, policy/procedure development, and additional duties as assigned by the Chairman. It may be the case that the Foundation's Executive Director is shared with the Order.

Section 4. The Executive Director shall abstain from all votes directly about him/herself.

Section 5. The Executive Director does not need to be a member of the Order of Daedalians.

## **CHAPTER VI: Trustees**

Section 1. Including the Chairman and the Executive Director, the Board shall be composed of not less than three (3) or more than seventeen (17) Trustees. The Board shall direct the Foundation's affairs, financials, and administration -- by Federal law, Texas law, and the rules of these bylaws.

Section 2. The term of each Trustee shall be three years. The Board should attempt to stagger the selection of Trustees so that approximately one-third of Trustees come up for re-election each year. Normally, a Trustee should serve no more than two consecutive terms unless the Chairman approves additional terms and the Board of Trustees confirms the continuance with a majority vote of a quorum of the current Board.

Section 3: New Trustees shall be nominated by the Chairman and confirmed by a majority of a quorum of the current Board. Trustees shall be members in good standing of the Order, with no more than four (4) serving Trustees, of any type, being exempt from this rule at any one time.

Section 4. Trustees elected by the Board shall be sworn in at the Foundation's End-of-Year Meeting. Any Trustee that is not sworn in at the Annual Meeting shall be sworn in by the Chairman at the Board's next scheduled meeting.

Section 5. Any Trustee, other than the Chairman, may be relieved of their position as such by two-thirds of a quorum. A Trustee may also resign at any time, by giving written notice of such resignation to the Chairman. In the event of the loss or relief of a Trustee, the Board may choose to elect an interim Trustee to fill that position for the remainder of the Trustee's term. Partial terms shorter than eighteen (18) months shall not count towards term limits.

Section 6. All Trustees, regardless of position or office, shall be entitled to the same rights and privileges, including one vote on each matter properly before the Board.

Section 7. All Trustees are expected to make an annual charitable contribution to the Foundation.

## **CHAPTER VII: Officers**

Section 1. The Chairman shall nominate, from among the Trustees, the Vice-Chairman who shall assist the Chairman in their regular duties and act in the Chairman's absence.

Section 2. The Chairman shall also nominate an appropriate number of Deputy Chairmen (collectively "Officers") to meet the programmatic and organizational needs of the Foundation. Daedalians in good standing with the Order of Daedalians are eligible to serve as Officers. Officer positions may include, but are not limited to:

- Chairman
- Vice-Chairman
- Deputy Chairman for Finance
- Deputy Chairman for Communications
- Deputy Chairman for Scholarships
- Deputy Chairman for Flying Training
- Deputy Chairman for Innovation
- Deputy Chairman for Development (Fundraising & Partnerships)
- General Counsel

Section 3. With the exception of the Chairman, all Officer terms shall expire when their term as Trustee expires. The Chairman shall submit to the Board his or her new slate of Officer nominations before the End-of-Year Meeting, including titles and responsibilities (see example in Appendix One). At the End-of-Year Meeting, any new Officers shall be confirmed as a slate by a majority of a quorum. Or, if requested by any Trustee present, the nominees can be considered individual Except ford by a majority of a quorum.

Section 4. If required, Officers may be nominated, confirmed, and/or replaced at other Board meetings by a majority of a quorum. The removal of an Officer before their term expires shall require **a separate** majority of a quorum. Relief or resignation of an officer from his/her position does not constitute relief or resignation of his/her Trustee role.

Section 5. Officer positions afford no special privileges and regardless of position or office, shall be entitled to the same rights and privileges of Trustees, including one vote on each matter properly before the Board

## **CHAPTER VIII: Meetings, Quorums, & Committees**

Section 1. Each Officer and Trustee shall be entitled to cast one (1) vote on any question properly coming before the Board. Proxy voting or voting by written ballot shall not be allowed. However, reasonable accommodations shall be made for voting by audio/video conferencing.

Section 2. A quorum shall exist when at least fifty percent (50%) of all Trustees can vote during a properly called meeting. A majority of this quorum is necessary and sufficient to approve most

business properly before the Board (“the majority of a quorum”) unless a different threshold is required by these Bylaws. In the event of a tie, the Chairman shall cast the deciding vote.

Section 3. The Board shall conduct its primary business during an End-of-Year Meeting, at which new Trustees, Officers, budgets, and reports shall be considered and approved, by the rules of these bylaws. The Board of Trustees End-of-Year meeting, held each Fall, shall include these matters:

- Confirm new Trustees
- Confirm new Officers
- Approve a Budget
- Receive completed audit reports and Form 990 tax returns
- Receive an annual report summarizing the Foundation’s operations, programs, accomplishments
- Receive a roster of Trustees and Officers.
- Address other business properly coming before the Boar

Section 4. The Foundation shall additionally hold a scheduled business meeting each Spring, and an Annual Meeting each summer. Both meetings require thirty (30) days’ notice to all Trustees. These meetings may be scheduled in conjunction with the Order’s meetings or events. Emergency Meetings of the Board may be called by the Chairman, or at the written request of three serving Trustees. Emergency Meetings shall be held within thirty (30) days of demand.

Section 5. Whether an End-of-Year Meeting, an Annual Meeting, a scheduled business meeting, or an Emergency Meeting, the Board may elect to:

- Confirm a new Executive Director
- Remove the current Executive Director
- Appoint a new Trustee
- Remove a current Trustee
- Appoint a new Officer
- Remove a current Officer
- Amend these Bylaws
- Address other business properly coming before the Board

Section 6. All Board meetings shall be held at times and places as determined by the Chairman.

## **CHAPTER IX: Budgets**

Section 1. The Executive Director shall draft a budget for the Foundation annually, with appropriate input from Officers, Staff, and Trustees. This budget shall be circulated among the Trustees and approved by the Board through a majority of a quorum.

Section 2. The Executive Director shall have the sole authority to hire, fire, and manage the paid staff of their choosing. It is up to the Executive Director to determine appropriate compensation and benefits for staff, within the bounds of the approved budget. The Executive Director shall negotiate his or her compensation and benefits with the Chairmen, and include these agreements within the budget.

Section 3. To inform this process, each Officer shall submit an annual operations review, evaluating the Foundation's management, budgeting, performance, goals, and areas for improvement. The Chairman shall discuss these reports privately with the Executive Director to ensure the Foundation's performance refinement. These reviews shall also be utilized in determining the Executive Director's annual compensation, benefits, and incentives

## **CHAPTER X: Financial Management**

Section 1. The Foundation shall utilize a modified cash basis accounting system. All financial assets shall be managed within an unrestricted operating fund, which shall receive all income derived from investments, donations, bequests, sponsorships, payments for services rendered, advertising, and the Century Club Trust.

Section 2. Established by the Foundation, the Century Club Trust ("the Trust") provides income to the Foundation's unrestricted operating fund. The Trust was funded through specifically designated contributions, but is now closed to new donations and resides outside of the Foundation's assets. The Chairman, or their designees, shall review annually if the performance of the Trust meets expectations. The Board shall have full authority to transfer the Trust into the Foundation's assets.

Section 3. All gifts, contributions, or bequests from persons, firms, or corporations to this Foundation shall be irrevocable.

Section 4. An Officer shall be designated to monitor the Foundation's assets and investments, ensuring diversification from risk and staying in touch with financial agents. This Officer shall present a financial report to the Board at each scheduled meeting. This Officer shall also supply Trustees with sufficient information and documentation to support informed financial decisions, including:

- Statement of Financial Position
- Statement of Activities
- Statement of Functional Expenses
- Any Notes to Financial Statements
- Any Additional Documents as Required

Section 5. Additionally, an annual audit of the Foundation shall be conducted by an independent certified public accountant. Trustees shall be provided the "Independent Auditor's Report", including both the auditor's opinion and management reports.

Section 6. The Executive Director shall be responsible for distributing the Foundation's IRS Form 990 (as submitted) and Audit.

## **CHAPTER XI: Indemnification and Indemnity Insurance**

Section 1. The Daedalian Foundation shall indemnify to the full extent permitted by law any person, or the estate of any person, who is made, or is threatened to be made, a party to any action, suit, or proceeding (civil, criminal, administrative, or investigative) because he is or was a Trustee, officer, employee or agent of the Daedalian Foundation or serves or served in any other capacity at the request of the Foundation.

Section 2. The Daedalian Foundation may purchase and maintain insurance on behalf of any person who is or was a Trustee, officer, employee, or agent of the corporation or who is or was serving in any other capacity at the request of the Foundation, against any liability asserted against him/her or arising out of his/her status as such person, whether or not the Foundation would have the power to indemnify him/her against that liability under the provisions of law.

Section 3. All Trustees, Officers, and Staff shall sign the Conflict of Interest policy annually.

## **CHAPTER XII: Bylaws**

Section 1. These Bylaws may only be altered, amended, or changed when two-thirds of all Trustees vote in the affirmative.

Section 2. The following sections may only be altered, amended, or changed when all Trustees unanimously vote in the affirmative:

- CHAPTER I
- CHAPTER III
- CHAPTER IV
- CHAPTER VI, Section 1 Only
- CHAPTER XII

Section 3. These bylaws shall supersede all other policies, procedures, and agreements (“Policies”). Policies prepared by Officers, Trustees, or Staff, shall conform to and not come into conflict with these Bylaws. This includes Policies prepared in conjunction with the Order or other organizations. All Policies shall be submitted to the Executive Director and entered as Letters of Record. Upon request, Letters of Record shall be made available to Trustees.

## **CHAPTER XIII: DISSOLUTION AND DISPOSITION OF ASSETS**

Section 1. A merger of the Foundation, or the sale, lease, exchange, or other disposition of all or substantially all of the property of the Foundation, shall require 90% of all Trustees to vote in the affirmative. In case of dissolution, the assets of the Foundation shall be equally divided among the United States service academies (The United States Military Academy, The United States Naval Academy, The United States Air Force Academy, The United States Coast Guard Academy, and The United States Merchant Marine Academy) for the advancement of aviation programming.

As amended 14 February 2022

CHAD T. MANSKE  
Brigadier General, USAF (Ret)  
Chairman of the Board of Trustee

## APPENDIX I

# Daedalian Foundation Board Responsibilities

### Overall responsibilities of a Board member

1. **Establish the organization's vision, mission, and purpose.**
2. **Hire, monitor, and evaluate the chief executive.**
3. **Provide proper financial oversight.**
4. **Ensure the organization has adequate resources.**
5. **Create a strategic plan and ensure that it's followed.**
6. **Ensure legal compliance and ethical integrity.**
7. **Manage resources responsibly.**
8. **Recruit and orient new Board members and assess Board performance.**
9. **Enhance the Daedalian Foundation's public standing, programs, and services.**
10. **Follow the duty of care, loyalty, and obedience.**

### Duty of Care

A Board member must be active in organizational planning and decision-making. Board members must exercise reasonable care when he or she decides for the organization. Reasonable care is what an "ordinarily prudent" person in a similar situation would do.

### Duty of Loyalty

A Board member must never use information gained through his/her position for personal gain and must always act in the organization's best interests. Board members must avoid conflicts of interest or the appearance of conflicts.

### Duty of Obedience

A Board member must be faithful to the nonprofit organization's mission. He or she cannot act in a way that is inconsistent with the organization's goals. The public trusts the Board to manage donated funds to fulfill the organization's mission.

### **Chairperson**

The duties of the Chairperson shall be:

- Ensure facilitation of Board meetings after developing the agenda with the Executive Director.
- Actively recruits new Board members and helps to retain current Board members.
- Partners with the Society for Nonprofits' Board members, advisors, and volunteers in achieving the organization's mission.
- Provides leadership and direction to the Board presiding at the Board meetings.
- Encourages transparent communication between all Board members.
- Helps guide and mediate Board actions concerning organizational priorities and governance concerns.
- Participates in the creation and implementation of the strategic plan.

- Ensures that timelines are met and that parties on the Board are accountable for their responsibilities within the strategic plan.
- Encourages Board participation in the strategic planning process.
- Communicates as needed with committee chairs to ensure that action items are met and that activities are in-line with the mission and vision.
- Discusses issues affecting the organization with the Board and any other relevant parties.
- Represents the Foundation as an ambassador for the mission at events and other activities.
- Monitors financial planning and financial reports.
- Plays a leading role in revenue generation activities including cultivation and stewardship.
- Annually encourages evaluation of the Board and the performance of the organization and its mission.
- Approves committee chairs and charges committees with work as it relates to the strategic plan.

### **Vice-Chairperson**

The duties of the Vice-Chairperson shall be:

- In absence of Chair, coordinates facilitation of Board meetings, ensures agendas and minutes are distributed, and implements the strategic plan when needed.
- Reports to the Board Chair.
- Familiarize him/herself with the duties of the Chairperson; and perform such duties during any temporary absence of the Chairperson
- Helps the Board Chair with internal communications and general support to the Board.
- Performs other responsibilities as assigned by the Board.
- Serves as Governance Committee Chair as appropriate.
- Actively recruits new Board members and helps to retain current Board members.
- Provides leadership and direction to the Board of Directors.
- Ensures transparent communication between all Board members.
- Plays a leading role in revenue generation activities.
- Develop the Minutes of the Board of Trustees meetings, furnish copies to all Trustees, and maintain a record of the Board of Trustees approved minutes

### **Deputy Chairman - Finance**

The duties of the Deputy Chairman for Finance shall be:

- Reports to the Board chair
- Reviews all revenues and expenses and creates financial statements (balance sheet, income statement, and cash flow statement) and communicates this information to the Board every quarter.
- Follow policies as written on Financial Letters of Record
- Ensures development and Board review of sound fiscal policies and procedures.
- Acts as an official signer on the Foundations' bank account and works with Executive Director on large monetary distributions.
- Keeps the Board informed on any financial agreements.
- Participates in revenue generation activities including cultivation and stewardship.
- Serves as a member of the finance committee.
- In cooperation with the Board officers, reviews the annual tax forms as required by the IRS.

- Supports the Executive Director as he/she submits an annual budget for approval by the Board

### **Deputy Chairman - Communications:**

The duties of the Deputy Chairman for Communications shall be:

- Reports to the Board chair
- Helps facilitate a heavy emphasis on brand management.
- Advances the Board's position with relevant constituents and drives broader awareness and donor support for the organization.
- Report out to the Board changes on integrated communications products and services including newsletters and other print publications; web, e-news, and other online communications; media and public relations; and marketing.
- Increase the visibility of its programs across key stakeholder audiences
- Work within the Board to drive broader awareness and donor support for the organization

### **Deputy Chairman - Scholarships**

The duties of the Deputy Chairman for Scholarships shall be:

- Reports to the Board chair.
- Head the scholarship committee and manage key scholarship relationships.
- Dedicate a work date in line with the application deadline for annual scholarships
- Work with scholarship committee on approval or denial of any requests for scholarships and work with the Executive Director on dispensing of additional foundation funds
- provide public advice, support, and resources to scholarship applicants

### **Deputy Chairman - Flying Training**

The duties of the Deputy Chairman for Flying Training shall be:

- Reports to the Board chair
- Work with the Program Manager to help administrate the flying training program and applicants meet the requirements
- Communicate, update, and work collaboratively with Daedalian Flights across the country
- Coordinate resources required to support successful applicants.
- Ensure flights follow written guidance on selection, training, and payments for students.

### **Deputy Chairman - New Initiatives**

The duties of the Deputy Chairman for New Initiatives shall be:

- Reports to the Board chair
- Establish and maintain effective relationships that can aid the staff
- Actively listen to proposals from Trustees or external sources about potential areas for development, growth, improvement, programs
- Help identify or secure funding for the application of the new initiatives
- Brings ideas to the Board about better ways to conduct business, improving the foundation

- Cultivate and steward the necessary stakeholders
- Aids the chairperson in planning, evaluation, and professional development initiatives for the Daedalian Foundation expansion
- Shares strategies that will maximize the synergies among program areas

### **Deputy Chairman - Development (Fundraising & Partnerships)**

The duties of the Deputy Chairman for Development shall be:

- Reports to the Board chair
- Aid the operation in fundraising plans and strategies
- Look for, establish and maintain future external partnerships and ensure that other Board members know that fundraising is an important part of being on a Board
- Cultivate relationships with vendors to ensure sufficient resources
- Create a sustaining long-term focus and culture within the Board on building and fostering funders
- Contribute to the Board and the ED's thinking regarding which foundations, government agencies, and other institutions' philanthropic missions align with ours

### **General Counsel**

The duties of the General Counsel shall be:

- Reports to the Board chair.
- Ensure that the initiatives and activities of the foundation meet legal requirements.
- Advise on the bylaw, policy, or program legal issues to provide expert guidance to the Executive Director.
- Gives legal support to the creation of policies that reduce risk, and promote the wellbeing of the organization, its constituents, and paid and unpaid staff.