

# **DELTA SIGMA PI LEADERSHIP FOUNDATION POLICIES AND PROCEDURES**



**Last Update: 8/16**

**Delta Sigma Pi Leadership Foundation**  
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## I. GOVERNANCE

### A. PURPOSE, MISSION, VISION, VALUES AND ENDS STATEMENTS

The roots of the Leadership Foundation began in 1945 when the Educational Foundation was started. In 1978, the Delta Sigma Pi Leadership Fund was created and later merged with the Educational Foundation to form what is now the Delta Sigma Pi Leadership Foundation.

Today, the brothers of Delta Sigma Pi continue the strong tradition of the past to keep building the Foundation through support of its charitable efforts. Through scholarships for academic achievement and grants for leadership development and training, the Trustees and staff of the Leadership Foundation work to support the following:

- ◆ **Scholarships for Academic Achievement:** The Foundation provides graduate grants and undergraduate scholarships to many qualifying students each year; awards Regional, Provincial and National Collegians of the Year scholarships annually; and works with alumni who “give back” to their chapters by coordinating local chapter scholarships.
- ◆ **Leadership Development and Training:** Contributions from the Leadership Foundation support educational programs offered at LEAD Schools and Provincial Conferences, LeaderShape, and Grand Chapter Congress.

In addition to contributions from brothers, corporate citizens have provided support through their social investment in the Foundation. Through their investment, the Foundation is able to assist the Fraternity in connecting students and alumni of business schools to the corporate leaders of America.

#### **Mission Statement:**

“The Delta Sigma Pi Leadership Foundation exists to generate and provide financial support for Delta Sigma Pi Fraternity’s educational and charitable programs, which assist members to achieve individual and professional excellence within the business community.”

#### **Vision Statements:**

The Foundation’s financial support of the Fraternity enables:

- ◆ Quality leadership development and training experiences that shape high-caliber Fraternity and business leaders.
- ◆ Scholarships and Grants which are abundant and highly sought after.
- ◆ A tax deductible way for generous givers to endow the Fraternity's programs and long-term growth.
- ◆ A quality, long-term Deltasig experience.

#### **Values Statements:**

- ◆ Service:
  - Bestowing of value upon another
  - Long Term Growth & Legacy Building
  - Enabling Professional Growth

- ◆ Integrity & Confidence:
  - Sound Governance
  - Prudent Investing
  - Transparency
  - Confidentiality
- ◆ Partnership with the Fraternity
  - Support of Professional, Fraternal, Service & Scholarship Programs
  - Leadership by Example
  - Opportunity for continuous and long term fraternal relationship

**Ends Statements:**

The Foundation provides financial support to enhance the four pillars of the Fraternity’s programs:

- ◆ Professional
  - High caliber educational programming for collegiate and alumni members that differentiates Delta Sigma Pi from competing organizations.
  - Financial support for professionals that makes a difference in their personal and professional goals.
- ◆ Fraternal
  - Programs for collegiate members that recognize and encourage high Fraternity involvement/achievement.
  - Programs which recognize and provide opportunities for active Fraternity support over one’s lifetime.
- ◆ Service
  - Brothers have an avenue for continuous and perpetual service to the Fraternity.
  - Giving opportunities which inspire long-term generosity and provide a catalyst for continuous generosity.
- ◆ Scholarship
  - Scholarships which provide all Deltasigs with opportunities for material financial assistance.
  - Financial assistance for Delta Sigma Pi in advancing and perpetuating its scholastic goals and ideals.

All members of Delta Sigma Pi are encouraged to support the Leadership Foundation and its mission and programs through annual contributions. The Foundation is recognized by the federal government as a charitable and educational corporation. All contributions are deductible for estate and income tax purposes.

*Revised 3/15/06; 8/09/11*

**B. CODE OF REGULATIONS DEFINED**

In addition to this Policies and Procedures Manual, the Leadership Foundation follows the Code of Regulations governing document. Within the Code of Regulations, the following items are discussed and bylaws set forth:

- ◆ A description of the Board of Trustees, its members, voting rights, and meeting requirements.
- ◆ Officer elections and duties
- ◆ Committee guidelines
- ◆ Indemnification and insurance

- ◆ The corporate seal
- ◆ The fiscal year
- ◆ Procedures for amending the Code of Regulations

### **C. POLICY AND PROCEDURE AMENDMENTS**

1. Except as described in Policy C.2 below, amendments to the Policies and Procedures require a majority affirmative vote of those trustees present and voting during a meeting of the Board called according to the Code of Regulations.
2. To enable the Foundation to act promptly in carrying out the business of this Foundation, and in order that the best interests of this Foundation may be served, special authority is granted to the Executive Committee to make such temporary amendments to these Policies and Procedures as they may deem advisable for the best interests of this Foundation. Unanimous consent of the members of the Executive Committee shall be required to adopt such amendments, and they shall remain in effect only until the next meeting of the Board at which time they shall either be approved by the Board under Policy 1 above or the sections of the Policies and Procedures amended shall be returned to their previous phraseology. Any temporary amendments to these Policies and Procedures must be communicated to the entire Board by the Executive Committee Chair or Executive Vice President within 3 business days of the Executive Committee's action.

*Adopted 2/07*

### **D. TRUSTEE LEADERSHIP RESPONSIBILITIES**

#### **1. General Expectations**

- a. Know the Foundation's mission, purpose, goals, policies, programs, services, strengths, and needs.
- b. Suggest possible nominees to the board who are clearly women and men of achievement and distinction and who can make significant contributions to the work of the board and the Foundation's progress.
- c. Serve in leadership positions and undertake special assignments willingly and enthusiastically.
- d. Avoid prejudiced judgments on the basis of information received from individuals and urge those with grievances to follow established policies and procedures through their supervisors. (All matters of potential significance should be called to the attention of the executive and the board's elected leader as appropriate.)
- e. Follow trends in the Foundation's field of net income.
- f. Bring good will and a sense of humor to the board's deliberations.

#### **2. Meetings**

- a. Prepare for and participate in board and committee meetings, including appropriate organizational activities.

- b. Ask timely and substantive questions at board and committee meetings consistent with your conscience and convictions, while supporting the majority decision on issues decided by the board.
- c. Maintain confidentiality of the board's executive sessions, and speak for the board or Foundation only when authorized to do so.
- d. Suggest agenda items periodically for board and committee meetings to ensure that significant, policy related matters are addressed.

### **3. Relationship with Staff**

- a. Counsel the chief executive as appropriate and support him or her through often difficult relationships with groups and individuals.
- b. Avoid asking for special favors of the staff, including special requests for extensive information, without at least prior consultation with the chief executive, board, or appropriate committee chairperson.

### **4. Avoiding Conflicts**

- a. This Conflict of Interest Policy: (1) defines conflicts of interest; (2) identifies classes of individuals within the Foundation covered by this policy; (3) facilitates disclosure of information that may help identify conflicts of interest; and (4) specifies procedures to be followed in managing conflicts of interest.
  1. Definition of conflicts of interest. A conflict of interest arises when a person in a position of authority over the Leadership Foundation may benefit financially from a decision he or she could make in that capacity, including indirect benefits such as to family members or businesses with which the person is closely associated. This policy is focused upon material financial interest of, or benefit to, such persons.
  2. Trustee involvement in the sales of goods and services. Trustees will not sell products or services for personal profit in conjunction with, in the name of, in association with, or as a form of fundraising for the Foundation. Any such sales that are for profit for the trustee, and other parties described herein, should be deemed a conflict of interest and are forbidden. The sale of products for the sole purpose of fundraising for the Foundation may be approved by a vote of the Executive Committee.
  3. Individuals covered. Persons covered by this policy are Leadership Foundation Trustees, officers and employees.
  4. Facilitation of disclosure. Persons covered by this policy will annually disclose or update to the Foundation Chairman, on a form provided by the Foundation, their interests that could give rise to conflicts of interest and verifies they have read the conflict of interest policy and agree to comply with it.
  5. Procedures to manage conflicts. For each interest disclosed to the Chairman, he or she will determine whether to: (a) take no action; (b) assure full disclosure to the Board of Trustees and other individuals covered by this policy; (c) ask the person to recuse from participation in related discussions or decisions; or (d) ask the person to resign from his or her position or, if the person refuses to resign, become subject to possible removal in accordance with the

Foundation's removal procedures. In the event the Chairman discloses a potential conflict of interest, the interest will be disclosed to the Chair of the Audit Committee and the Audit Chair will follow the same procedures as the Chairman for determining action. The Leadership Foundation's Chairman and Treasurer will monitor proposed or ongoing transactions for conflicts of interest and disclose them to the Board of Trustees in order to deal with potential or actual conflicts, whether discovered before or after the transaction has occurred.

- b. Serve the Foundation as a whole rather than any special interest group or constituency. Regardless of whether or not you were invited to fill a vacancy reserved for a certain constituency or organization, your first obligation is to avoid any preconception that you "represent" anything but the Foundation's best interests.
- c. Avoid even the appearance of a conflict of interest that might embarrass the board or the Foundation, and disclose any possible conflicts to the board in a timely fashion.
- d. Maintain independence and objectivity and do what a sense of fairness, ethics, and personal integrity dictate, even though not necessarily obliged to do so by law, regulation, or custom.
- e. Never accept (or offer) favors or gifts from (or to) anyone who does business with the Foundation.
- f. No trustee, or members of a trustee's immediate family may receive any benefit from a raffle in which the Leadership Foundation is a participant.

*Approved 8/9/05; Revised 12/08, 2/12*

## **5. Fiduciary Responsibilities**

- a. Exercise prudence with the board in the control and transfer of funds.
- b. Faithfully read and understand the Foundation's financial statements and otherwise help the board fulfill its fiduciary responsibility.

## **6. Fund-Raising**

- a. Give an annual gift according to personal means.
- b. Assist in the development and implementation of fund-raising strategies through personal influence with others (corporations, individuals, foundations).

*Approved 08/12/00*

## **7. Activity Reporting**

Semi-annual reports are due from each Trustee to the Executive Vice President for inclusion in semi-annual meeting materials. The Board Chair will set and communicate due dates to all Trustees.

*Approved 8/9/05*

## **8. Voting Trustee Terms of Office**

Elected terms begin and end in August. Per the code of regulations, voting trustees shall serve for two (2) years or until their successors are duly elected and qualified. A Voting Trustee so elected who has



served three consecutive two-year terms may again be eligible for re-election to the Board after expiration of at least one year from the date of termination of his or her third term.

\* Currently serves as a Voting Trustee.

<b>Jennifer Aichele</b>	Elected Trustee 2009-11/2011-13/2013-15 Elected Trustee Emeritus 9/14
<b>Patrick Blanchard</b>	Ex-Officio as Fraternity Board Appointment 1999-01 Elected to Trustee partial term 2001-02 Elected Trustee 2002-04/2004-06 (served partial term ending 8/17/04)
<b>Jeff Berlat</b>	Elected Trustee 2007-09/2009-11/2011-13 Elected Trustee Emeritus 8/13
<b>*Jeff Briggs</b>	Elected Trustee 2016-18
<b>Pete Bjelan</b>	Elected Trustee 2008-10/2010-12 Elected Trustee Emeritus 8/12
<b>Barbara “Bobbi” Blades</b>	Elected Trustee 2012-14 Elected Trustee Emeritus 9/14
<b>Shane Borden</b>	Ex-Officio as VP-Finance 2013-15 Elected Trustee Emeritus 8/15
<b>Sean Boyd</b>	Elected Trustee 2002-04/2004-06 (served partial term ending 8/05) Elected Trustee Emeritus 8/05
<b>Paul Brodie</b>	Ex-Officio as VP-Organizational Development 2009-11 Elected Trustee Emeritus 2/12
<b>*Chuck Brown</b>	Elected to Trustee partial term 2014-15 Elected Trustee 2015-17
<b>Russell Brown</b>	Elected to Trustee partial term 1999-00 Elected Trustee 2000-02/2002-04 Elected Trustee Emeritus 8/05
<b>J. Barrett Carter</b>	Elected Trustee 2007-09/2009-11 Elected Trustee Emeritus 8/11
<b>*Mark Chiacchiari</b>	Ex-Officio as VP-Organizational Development 2005-07/2007-09 Ex-Officio as Grand President 2009-11/2011-13 Ex-Officio as Past Grand President 2013-15/ 2015-17
<b>Daniel Doyle</b>	Executive Vice President- ended in 1994 Elected Trustee Emeritus 2/05
<b>Theresa Drew</b>	Term ended in 1996 Elected Trustee Emeritus

<b>Heather Bailey Ferguson</b>	Executive Vice President - ended in 1998 Elected Trustee Emeritus 2/05
<b>Marilyn Franson</b>	Term ended in 1995 Elected Trustee Emeritus
<b>Rich Garber</b>	Elected Trustee 2008-10/2010-12/2012-14 Elected Trustee Emeritus 9/14
<b>*Shanda Gray</b>	Executive Vice President April 2003-current Non-voting Trustee April 2003-current
<b>Carlos Hazday</b>	Term ended in 1995 Elected Trustee Emeritus 8/95
<b>John Henik</b>	Term ended in 1989 Elected Trustee Emeritus
<b>Jerry Hotwagner</b>	Elected Trustee 2011-13/2013-15 Elected Trustee Emeritus 8/15
<b>Greg Howell</b>	Elected to Trustee partial term 2001-02 Elected Trustee 2002-04/2004-06/2006-08 Elected Trustee Emeritus 7/08
<b>Randy Hultz</b>	Ex-Officio as Grand President 1993-97 Ex-Officio as Past Grant President 1997-2001 Elected Trustee Emeritus 8/01 Elected Trustee 2003-05/2005-07/2007-09
<b>*Onuka Ibe</b>	Ex-Officio as Grand President 2013-15/ 2015-17
<b>*Kathy Jahnke</b>	Elected Trustee 2011-13/2013-15/2015-17 Ex-Officio as Grand President 2001-03/2003-05 Ex-Officio as Past Grant President 2005-07/2007-09 Elected Trustee Emeritus 8/09
<b>*Stacy Jordan</b>	Elected Trustee 2014-16/ 2016-18
<b>Kyle Junk</b>	Elected Trustee 2012-14/2014-16; resigned 1/16 Elected Trustee Emeritus 8/16
<b>Bill Kinsella</b>	Ex-Officio as Grand President 1989-91/1991-93 Elected Trustee Emeritus
<b>Greg Koch</b>	Elected to Trustee partial term 2004-06 Elected Trustee 2006-08/2008-10/2010-12 Elected Trustee Emeritus 8/12
<b>Brian Krippner</b>	Elected Trustee 2010-12/2012-14/2014-16 Elected Trustee Emeritus 8/16

<b>Norm Kromberg</b>	Ex-Officio as Grand President 1997-99/1999-01 Ex-Officio as Past Grand President 2001-03/2003-05 Elected Trustee Emeritus 8/05
<b>Daryl Logullo</b>	Elected Trustee 1992-94/1994-96/1996-98 Elected Trustee Emeritus
<b>*Katie Magoon</b>	Elected Trustee 2013-15/ 2015-17
<b>Mike Mallonee</b>	Elected Trustee 1989-91/1991-93/1993-95 Elected Trustee Emeritus
<b>William Martin</b>	Executive Vice President- ended in 2003 Elected Trustee Emeritus 2/05
<b>Joe Mayne</b>	Elected Trustee 2005-07/2007-09/2009-11 Elected Trustee Emeritus 8/11
<b>Mike Mazur</b>	Term ended in 1994 Elected Trustee Emeritus 2/05
<b>Bryan McMillan</b>	Elected Trustee 2007-09 Elected Trustee Emeritus 8/09
<b>Michael Mescon</b>	Elected Trustee 2003-05 Elected Honorary Trustee 8/05
<b>Mark Mikelat</b>	Ex-Officio as VP-Organizational Development 2001-03 Elected Trustee Emeritus 2/04
<b>Claire Moomjian</b>	Elected to Trustee partial term 2000-01 Elected Trustee 2001-03/2003-05/2005-2007 Elected Trustee Emeritus 8/07
<b>*Larry Mroz</b>	Elected Trustee 2015-17
<b>Joan Maag Nason</b>	Elected Trustee 1997-99/1999-01/2001-03 Elected Trustee Emeritus 2/04
<b>Richard Parnitzke</b>	Ex-Officio as Grand President 1983-85 Elected Trustee Emeritus
<b>Jim Pendergrass</b>	Ex-Officio as Educational Foundation President 1991-93 Elected Trustee 1993-95/1995-97/1997-99 Elected Trustee Emeritus
<b>*Corey Polton</b>	Elected Trustee 2011-13/2013-15/ 2015-17
<b>*Kelly Rabin</b>	Ex-Officio as VP-Finance 2015-17
<b>John Richardson</b>	Elected Trustee 1999-01/2001-03/2003-05 Elected Trustee Emeritus 8/05

<b>Claire Sammon Roberts</b>	Ex-Officio as VP-Organizational Development 2003-05 Elected Trustee Emeritus 9/05 Elected Trustee 2009-11/2011-13/2013-15
<b>Mark Roberts</b>	Elected Trustee 1991-93/1993-95/1995-97 Elected Trustee Emeritus
<b>Chris Robinett</b>	Served Trustee partial term 1993-94 Elected 1994-96/1996-98/1998-00 Elected Trustee Emeritus
<b>*Corie Schilberg</b>	Elected Trustee 2014-16/ 2016-18
<b>*Bill Schilling</b>	Non-voting Trustee April 2003-current
<b>Gus Schram</b>	Term ended in 1995 Elected Trustee Emeritus
<b>Lisa Schram</b>	Elected to Trustee partial term in 8/05 ending 8/06 Elected Trustee 2006-08/2008-10/2010-12 Elected Trustee Emeritus 8/12
<b>Sandy Shoemaker</b>	Elected Trustee 2005-07/2007-09/2009-11 Elected Trustee Emeritus 8/11
<b>Mitchell Simmons</b>	Ex-Officio as Grand President 2005-07/2007-09 Ex-Officio as Past Grand President 2009-11 Elected Trustee Emeritus 8/13
<b>Tom Skinner</b>	Elected Trustee 2012-14/2014-16 Elected Trustee Emeritus 8/16
<b>Nick Steinkrauss</b>	Served partial term 1993-94 Elected 1994-96/1996-98/1998-00 Elected Trustee Emeritus
<b>Eddie Stephens</b>	Elected Trustee 2004-06/2006-08/2008-10 Elected Trustee Emeritus 8/10
<b>Buzz Sutton</b>	Ex-Officio as Fraternity Board appointment 1989-91/1991-93/1993-95/1995-97/1997-99 Elected Trustee Emeritus
<b>Bill Tatum</b>	Served Trustee partial term 1996 Elected Trustee 1996-98/1998-00/2000-02 Elected Trustee Emeritus
<b>Brandon Trease</b>	Elected Trustee 2008-10/2010-12/2012-14 Elected Trustee Emeritus 9/14
<b>Phil Turnquist</b>	Elected Trustee 1997-99/1999-01/2001-03 Elected Trustee Emeritus 2/04

<b>*Larry Van Quathem</b>	Elected Trustee 2015-2017
<b>*Sean Vineyard</b>	Elected to Trustee Partial Term 2015-16/ 2016-18
<b>Joe Ward</b>	Ex-Officio as VP-Organizational Development 2011-13 Elected Trustee Emeritus 8/13 Elected Trustee 2014-16
<b>James “Duckie” Webb</b>	Elected Honorary Trustee 8/13

## 9. Whistleblower Policy

This Whistleblower Policy: (1) encourages staff and volunteers to come forward with credible information on illegal practices or serious violations of adopted policies of the organization; (2) specifies that the Foundation will protect the person from retaliation; and (3) identifies where such information can be reported.

- a. Encouragement of reporting. The Delta Sigma Pi Leadership Foundation encourages complaints, reports or inquiries about illegal practices or serious violations of its policies, including illegal or improper conduct by the organization itself, by its leadership, or by others on its behalf. Appropriate subjects to raise under this policy would include financial improprieties, accounting or audit matters, ethical violations, or other similar illegal or improper practices or policies. Other subjects on which the Foundation has existing complaint mechanisms should be addressed under those mechanisms, such as raising matters of alleged discrimination or harassment via human resources channels, unless those channels are themselves implicated in the wrongdoing. This policy is not intended to provide a means of appeal from outcomes in those other mechanisms.
- b. Protection from retaliation. The Delta Sigma Pi Leadership Foundation prohibits retaliation by or on behalf of the organization against staff or volunteers for making good faith complaints, reports or inquiries under this policy or for participating in a review or investigation under this policy. This protection extends to those whose allegations are made in good faith but prove to be mistaken. The Foundation reserves the right to discipline persons who make bad faith, knowingly false, or vexatious complaints, reports or inquiries or who otherwise abuse this policy.
- c. Where to report. Complaints, reports or inquiries may be made under this policy on a confidential or anonymous basis. They should describe in detail the specific facts demonstrating the basis for the complaints, reports or inquiries. They should be directed to Delta Sigma Pi’s Executive Director or the Leadership Foundation Chair; if both of those persons are implicated in the complaint, report or inquiry, it should be directed to the full Board of Trustees. The Foundation will conduct a prompt, discreet, and objective review or investigation. Staff or volunteers must recognize that the Foundation may be unable to fully evaluate a vague or general complaint, report or inquiry that is made anonymously.

*Adopted 12/08*

## 10. Qualifications

Anyone with a felony conviction (of any kind) will not be eligible to serve as a Trustee on the Delta Sigma Pi Leadership Foundation Board.

*Adopted 3/14*

## **E. INVESTMENTS**

### **1. Introduction**

The Delta Sigma Pi Leadership Foundation ("Foundation") is maintained to provide benefits, as the case may be, to its participants, as defined and described by its Articles of Incorporation.

This statement of investment policies and objectives ("Investment Policy") is set forth for the Foundation in order that:

There is a clear understanding on the part of the Trustees and Officers of the Delta Sigma Pi Leadership Foundation of the investment policy and objectives of all funds for which the Foundation is responsible for, including the General and the Endowed Funds.

All investment portfolios of the Foundation are given investment guidance and limitations.

It is the intent of this statement to establish a philosophy that will assist the Trustees in guiding all Foundation portfolios towards desired performance.

### **2. Investment Responsibilities**

#### **a. Trustees Responsibilities**

The Trustees of the Foundation are charged by law with the responsibilities for the investment of the assets of the Foundation. The trustees shall discharge their duties solely for the exclusive purpose of:

- (a) providing benefits to participants and their beneficiaries;
- (b) defraying reasonable expenses of administering the plan.

Trustees shall discharge their duties with the care, skill prudence and diligence under the circumstances, then prevailing, that a prudent investor acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and objectives. The Trustees are aware of, and accept, the responsibilities as set forth by this investment policy.

#### **b. Investment Management Responsibilities:**

The Trustees are authorized and permitted to engage services of a Registered Investment Agent who possesses the necessary specialties in investment research facilities and skilled manpower to meet Foundation investment objectives and guidelines. Accordingly, the Trustees require the Agent to adhere and manage assets according to prudent standards as established in common trust law and the Uniform Prudent Investors Act. The engagement of a Registered Investment Agent for the management of Foundation assets, however, does not relieve the Trustees from their responsibility for safekeeping and guidance of the funds.

Investment policy guidelines will be fixed from time to time by the Trustees after consideration of advice and recommendations of the Investment Committee. All modifications of investment policy guidelines shall be in writing, voted upon by the Trustees of the Foundation, and reflected in the official minutes of the Foundation. The Executive Vice President of the Foundation shall be charged with the implementation of all investment transactions.

*Revised 8/8/04*

### 3. Investment Objectives

The investment objective of the Delta Sigma Pi Leadership Foundation will be to attain a favorable absolute return for entire Foundation assets, consistent with preservation of capital and some emphasis on long-term growth.

It is the goal of the Foundation to obtain an average annualized total return of 6.0% to 8.0% over a five to seven year investment market cycle.

All performance return figures shall be timely provided no less than semi-annually for review by the Investment Committee, reviewed no less than annually by the Board of Trustees and reflected in the official minutes of the Foundation.

*Revised 8/6/16*

### 4. Investment Guidelines

#### a. Asset Allocation and Investment Philosophy

The Trustees believe it should be the function of this investment policy to aid the Investment Committee of the Foundation in identifying, selecting and implementing the proper allocation of assets for investment.

Accordingly, it is the philosophy of the Trustees that the asset mix of the fund should be:

<b>EQUITY</b>	Maximum exposures:	Maximum Equity:	80%
<b>INCOME</b>	Maximum exposures:	Maximum Income:	40%
<b>CASH</b>	Remaining portions to be invested in cash		

*Revised 3/15/06; 8/6/16*

#### b. Type of Assets

The following is an acceptable list of assets and/or investment transactions for investment by the Foundation:

#### **EQUITY SECURITIES**

- Common Stocks
- Preferred Stocks
- Open-end Mutual Funds
- Closed-end Mutual Funds (but cannot use leverage)
- Exchange Traded Funds (ETFs)
- Publicly Traded REITs – not to exceed 7% of the total Equity Securities, or 5% of the total portfolio

## **INCOME SECURITIES**

- Corporate Bonds (Investment Grade)
- Commercial Paper (Investment Grade)
- U.S. Treasury Securities
- U.S. Agency Securities
- Open-end Mutual Funds
- Closed-end Mutual Funds (but cannot use leverage)
- Exchange Traded Mutual Funds (ETFs)
- Convertible Bonds (Investment Grade)
- Certificates of Deposit
- Trust Preferred Securities

The following is an unacceptable list of assets and/or investment transactions expressly prohibited for the Foundation:

- Improved and Unimproved Real Estate
- General or Limited Partnerships
- All Options Transactions
- Short-Selling
- Commodities
- Letter Stock
- Penny Stocks (NASDAQ stocks selling under \$5.00 per share)
- Purchase of "Hot Issues" (New Issues)
- Trading on Material Non-Public Information

*Revised 8/6/16*

### **c. Cash or Cash Equivalents**

All cash should be invested in federally insured net income bearing securities. Whenever possible, such securities should have a maturity of 12 months or less.

*Revised 8/6/16*

### **d. Diversification of Securities**

The Trustees' goal is to construct a well-diversified portfolio that consists of various types of securities in an attempt to reduce overall portfolio risk caused by market fluctuation.

*Revised 8/6/16*

## **5. Investment Performance Calculations & Evaluation**

Return performance calculations and evaluation of Foundation funds shall be determined by:

- a. A relative comparison of the Foundation's portfolio return(s) to a specific market index, for each asset class. The indices will be chosen by the investment manager in consultation with the investment committee.
- b. How the Foundation's investments are allocated between Asset Class. Shown by both dollar and percentage amounts.



- c. Investment performance figures shown Gross and Net of all investment fees (Management Fees, Load Fees, Commissions, etc.), with schedules supporting charges, if any assets are invested by, or in the custody of, a Registered Investment Agent.

*Revised 8/6/16*

## **6. Risk Tolerance**

### a. Guidelines

As a basis for controlling risk for the Foundation, it is desirable to limit the funds exposure in each asset segment. The guidelines are as follows:

- (1) In the Equity investment component of the Foundation, it is the intention of the Trustees to invest in a diversified group of equity oriented securities from the acceptable list to a maximum of 80%.
- (2) In the Income investment component of the Foundation, it is the intention of the Trustees to invest in a diversified group of income oriented securities from the acceptable list to a maximum exposure of 40%.

## **7. Additional Guidelines**

### a. Commingling of Funds

The Trustees are authorized to commingle the individual endowments, when permitted by the endowment's guidelines, for investment purposes when they deem it necessary and beneficial in meeting the objectives and goals of this investment policy, and are acting solely in the net income of the participants and their beneficiaries. The Trustees would be responsible for maintaining fund accounting even if funds are commingled for investment purposes.

If the Trustees commingle the funds, then each fund commingled will be allocated a proportionate share of net income, dividends, proceeds from sales, gains, losses, or any other increase or decrease based upon the ratio of the cost basis of the individual fund balance to cost basis of all commingled funds as a whole. Expenses of these funds shall also be allocated on a similar basis. (See Policy II.A. "Named and/or Designated Gifts")

### b. Liquidity Needs of the Foundation

Based upon demographic data, supporting schedules will be presented to the Committee representing the scholarship goals of the Foundation for respective fiscal years ending June 30.

These schedules will be used by the Committee to determine suitable Foundation investments for meeting annual cash flow needs.

## F. GIVING LEVELS

*Giving levels are for recognizing individual and corporate donors.*

### 1. Cumulative

\$1,000,000 — Visionary

\$500,000 — Advocate

\$250,000 — Sustainer

\$100,000 — Centurion

\$50,000 — Fifth Founder

\$25,000 — Benefactor

\$10,000 — Entrepreneur

\$5,000 — Cornerstone

\$2,007 — 2007 Centennial Society: As part of Delta Sigma Pi's Centennial commemoration, the Fraternity's Board of Directors and the Delta Sigma Pi Leadership Foundation Board of Trustees proudly announced the creation of the 2007 Centennial Society. Membership in the Society was limited to those individuals providing \$2007 in unrestricted gifts between July 1, 2003 and June 30, 2008. Membership was bestowed to 211 individuals upon reaching \$2007 before the program end date. The funds raised through membership in the 2007 Centennial Society will be used to support and secure future educational, leadership and scholarship opportunities for our brotherhood.

\$10,000—10K Club: Building on the momentum of the 2007 Centennial Society, the 10K Club was created in August 2006. Membership in the Club was granted to those individuals giving \$10,000 in unrestricted gifts to the Leadership Foundation between July 1, 2003 and June 30, 2012. A special designation of 10K Club Centennial Founder was given to those 17 individuals who fulfilled membership during or before the Centennial Grand Chapter Congress in Orlando in August 2007. 10K Club Centennial Founders received special benefits including the opportunity to include an item in the Centennial Time Capsule.

Soft Recognition Donor levels will be recognized beginning at \$20,000 and for each \$10,000 above that where the donor will receive a handwritten letter from the Chairman of the Leadership Foundation, Grand President and Executive Director. For every \$10,000 over \$50,000 the Chairman of the Leadership Foundation, the Grand President and/or the Executive Director may seek additional recognition of the donor at a national event or other opportune time.

*Approved 8/11*

### 2. Annual

Chairman Society	\$25,000 or more (added 2/07)
Old Gold Society	\$10,000 - \$24,999 (added 2/07)
Trustee Society	\$5,000 - \$9,999
Crown & Delta Society	\$2,500 - \$4,999
1907 Society	\$1,000 - \$2,499
Leadership Society	\$500 - \$999
Foundation Member	\$100 - \$499

### 3. Previous Levels

For historical reference, the following giving levels were in effect through 6/30/01:

#### a. Cumulative

- \$10,000 — Benefactor
- \$5,000 — Founder's Circle
- \$2,500 — Chairman's Forum
- \$1,000 — Trustee Associate
- \$500 — Crown & Delta Society
- \$250 — 1907 Society
- \$100 — Life Member Level

#### b. Patron Circle of Donors

- \$5,000 — Partner
- \$2,500 — Platinum Patron
- \$1,000 — Gold Patron
- \$500 — Silver Patron
- \$250 — Bronze Patron
- \$100 — Patron

## G. COMMITTEES AND DUTIES

### 1. Board Committees

#### a. Executive Committee – 2016-17: Katie Magoon, Larry Mroz, Corie Schilberg, Larry Van Quathem, Shanda Gray (Ex-Officio)

Responsible for monitoring the overall operations of the Foundation in the interim between meetings of the Board called according to the Code of Regulations. Authorized to make temporary changes to Policies and Procedures as outlined in I.C.2 of these Policies and Procedures. Committee is chaired by the Board Chair. Committee consists of the Board Chair, Board Vice-Chair, Executive Vice President (nonvoting), and 2 other trustees selected by lottery among those voting trustees willing to serve, excluding ex-officio Trustees; those elected to serve their first term as Trustee within six months; and those who have served on the Executive Committee during the past year. Executive Committee members chosen by lottery serve until the next annual meeting of the Board.

#### b. Investment Committee

Responsible for monitoring and making recommendations to the Board regarding investment of endowment funds, according to the Foundation's investment policy. The chair of the Investment Committee will be fourth in line of succession in the event of an unexpected vacancy of both the Chairman and Vice Chairman.

#### c. Advancement Strategies & Program Development

Responsible for developing fundraising programs and strategies to meet the strategic goals of the Foundation. The committee will develop programs, recommend endowment fund options and review/update recognition programs. They will communicate policy changes and program strategies to the Donor Outreach & Engagement Committee for communication and promotion to donors. The chair of the Advancement Strategies & Program Development Committee will

be second in line of succession in the event of an unexpected vacancy of both the Chairman and Vice Chairman.

**d. Donor Outreach & Engagement (Includes Marketing & Communications and GCC planning)**

Responsible for developing and cultivating prospective donors for contributions. Maintaining and expanding existing donor relationships; and oversight of fundraising campaigns, events and all marketing efforts. Responsible for ensuring all trustees are active in securing donations from prospective donors and ensuring consistent efforts to thank donors for ongoing giving. Responsible for developing and/or maintaining promotional and educational materials for Foundation activities. The committee will include two subcommittees: Marketing & Communications Committee and GCC planning. In addition, this committee may also develop advisory teams at the Provincial level to support outreach efforts. The chair of the Donor Outreach & Engagement committee will be fifth in line of succession in the event of an unexpected vacancy of both the Chairman and Vice Chairman.

**e. Finance Committee**

Responsible for developing the annual budget, reviewing income and expenses and adherence to the budget, monitoring cash flow situation and needs, and developing long range financial objectives. Members of the committee would include, but not be limited to, the Chairman and President, with the Executive Vice President and Audit Committee Chair as ex-officio members. The chair of the Finance Committee will be first in line of succession in the event of an unexpected vacancy of both the Chairman and Vice Chairman.

**6. Board Development & Nominations Committee**

Responsible for soliciting qualified candidates to serve as Trustees and Foundation officers for recommendation to the Board. In addition, this committee is responsible for succession planning and development of volunteer leaders to ensure a strong pipeline of Trustee candidates.

**7. Scholarship Guideline Committee**

Responsible for determining guidelines for scholarships and scholarship agreements. The chair of the committee approves named fund agreements that follow the Named Fund Agreement Template (Article II, Section B). Committee approval prior to signing the agreement is required if Schedule B of the agreement calls for a distribution beyond a single scholarship or educational grant (i.e. a multi-distribution fund). If the agreement deviates from the Named Fund Agreement Template, the chair will seek approval from the Board of Trustees prior to the agreement being signed. The chair of the Scholarship Guideline Committee will be third in line of succession in the event of an unexpected vacancy of both the Chairman and Vice Chairman. The Scholarship Guideline Committee is also responsible for overseeing the administrative processes related to selecting scholarship applicants, ensuring clear communication with the Scholarship Selection Committee.

**1. Oversight Committees**

**a. Audit Committee**

Responsible for monitoring and annual review of expenses and financial records, including the acceptance of the outside audit and the presentation of the audit to the Board of Trustees.

**b. Grant Committee**

Responsible for reviewing and approving grant proposals submitted to the Foundation. Once the committee is satisfied as to the completion of the program and acceptable documentation, the committee chair will authorize grant payment to the grantee and authorize issuance of a check within the designated timeframe. The committee shall include at least the Audit Committee Chair and two other Trustees.

**2. Advisory Committees**

**a. Scholarship Selection Committee**

Responsible for reviewing and recommending recipients of the Undergraduate Scholarships, Graduate Scholarships, and Chapter Scholarships. This Advisory committee must follow guidelines set by the Board of Trustees and Scholarship Guideline Committee. The Scholarship Selection Committee is a subcommittee of the Selection Guideline Committee.

*Approved 8/12/00; Revised 2/9/01; 2/1/02; 2/23/03; 8/15/03; 2/8/04; 8/8/04; 2/20/05; 8/9/05; 10/5/05; 3/15/06; 8/20/06; 2/18/07; 9/11/07, 3/9/08, 2/26/12, 9/1/12, 2/24/2013, 8/11/15, 8/6/16*

**H. EXPENSE AUTHORIZATION**

**1. General Purpose**

Each year the Trustees of the Leadership Foundation, during their annual meeting, approve a budget which includes expense and revenue projections. The annual budget and projections are then administered by the President and Chair of the Foundation along with the Executive Vice President. From time-to-time, however, Foundation expenses may develop that were unexpected and necessary. To insure a seamless administration of the Foundation while also maintaining organizational accountability, the following policy guidelines are to be fully considered in the event of a need to purchase items or expenses not approved through the annual budget approval process.

**2. Definitions**

- a. Trustee(s): Those individuals elected to serve as the Board of Directors of the Foundation and with specific terms of service.
- b. President and Chair: The elected individual(s), from the Trustees, to serve as the leader(s) of the Board of Directors and coordinate Board of Director's wishes and direction to the Foundation staff, usually through the Executive Vice President.
- c. Executive Vice President: The lead staff member of the Foundation staff and selected by the Trustees to implement the day-to-day operations of the organization.
- d. Executive Director of the Fraternity: The lead staff member of the Fraternity staff, selected by the Board of Directors to implement the day-to-day operations of the organization.
- e. Annual Budget: A projection of the amount of expenses necessary for the operation and day-to-day activities of the Foundation, usually developed by the lead staff person with resources and consultation of the President of the Foundation and with other Trustees, approved once a year during the Trustees' Annual Meeting.
- f. Annual Meeting: Meeting of the Trustees once a year for the purposes of conducting Foundation business, authorizing policy and projecting revenue for the charitable organization.

- g. Purchase: anything paid for from Foundation funds for the operation and day-to-day activities of the Foundation.

### **3. Policy Guidelines**

The President and Chair may authorize the Executive Vice President of the Foundation, or other Foundation staff in the absence of said staff member, without a Trustee vote, to purchase any non-budgeted item or expense of a value of not more than \$7,500 for a given fiscal year with no carry over to the next year for the purpose of assisting the Foundation in the implementation of its mission.

The Executive Vice President may authorize purchase of all budgeted items as approved by the Trustees during the Annual Meeting at any time during the fiscal year.

The Executive Vice President may authorize purchase of any non-budgeted item or expense of a value of not more than \$500 per occurrence with a maximum of \$5,000 for a given fiscal year with no carry over to the next year for the purpose of assisting the Foundation in the implementation of its mission.

Trustees of the Foundation shall not suggest or direct expenditures without the approval and authorization of the President and Chair.

The Executive Director of the Fraternity may not require or obligate any purchase of any item or expense for any purpose by the Executive Vice President or any member of the Foundation staff without approval of the Board of Trustees and the Fraternity's Board of Directors.

The Executive Vice President may not require or obligate any purchase of any item or expense for any purpose by the Executive Director of the Fraternity or any member of the Fraternity staff without approval of the Board of Trustees and the Fraternity's Board of Directors.

*Approved 8/12/00*

## **I. TRUSTEE TRAVEL**

### **1. General Purpose**

The Trustees of the Leadership Foundation serve as the primary spokespeople to the Fraternity membership and the global community regarding the charitable mission of the Foundation. To that end, the history and culture of the Trustees has been that all travel performed in the name of the Foundation and for representation and fundraising for the Foundation would be paid for by the Trustee and would be reported to the Foundation staff. The value of such travel would be documented and considered a "gift-in-kind" to the Foundation. To insure a seamless administration of the Foundation while also maintaining organizational accountability, the following policy guidelines are to be fully considered by the Trustees through service to the Foundation and Fraternity:

### **2. Definitions**

- a. Trustee(s): Those individuals elected to serve as the Board of Directors of the Foundation and with specific terms of service.
- b. President and Chair: The elected individual(s), from the Trustees, to serve as the leader(s) of the Board of Directors and coordinate Board of Director's wishes and direction to the Foundation staff, usually through the Executive Vice President.

- c. Fraternity membership: The collective members of the International Fraternity of Delta Sigma Pi duly elected through a membership process and located within collegiate and alumni chapters as well as individually throughout the United States and foreign countries.
- d. Executive Vice President: The lead staff member of the Foundation staff and selected by the Trustees to implement the day-to-day operations of the organization.
- e. Executive Director of the Fraternity: The lead staff member of the Fraternity staff, selected by the Board of Directors to implement the day-to-day operations of the organization.
- f. Annual Budget: A projection of the amount of expenses necessary for the operation and day-to-day activities of the Foundation, usually developed by the lead staff person with resources and consultation of the President of the Foundation and with other Trustees, approved once a year during the Trustees' Annual Meeting.
- g. Annual Meeting: Meeting of the Trustees once a year for the purposes of conducting Foundation business, authorizing policy and projecting revenue for the charitable organization.
- h. Gift-in-Kind: Any item of value paid for by an individual and given to the Foundation in exchange for a receipt.
- i. Travel: Any transportation and lodging expenses related to Foundation service by a Trustee.

### **3. Policy Guidelines**

- a. Travel for the President and Chair, coordinated through the annual budget and approved at the Annual Meeting of the Board of Trustees, may not be included in the annual travel gift amount of the President and Chair.
- b. The Executive Vice President may not require or obligate any Trustee to travel on behalf of the Foundation.
- c. The Executive Director of the Fraternity may not require or obligate any Trustee to travel on behalf of the Fraternity.
- d. To qualify for gift-in-kind recognition, Trustees must submit expenses incurred between July 1 and December 31 by December 31 and must submit expenses incurred between January 1 and June 30 by June 30.
- e. Travel that is conducted in the name of the Foundation should be obtained at a reasonable cost and should be coordinated with as much advance notice as possible to insure that market rates for fares may be engaged. Any official representation of the Foundation that requires travel must be pre-approved by the Chairman or President.
- f. Travel that is conducted in the name of the Foundation can be submitted as gift-in-kind following these guidelines:
  - 1. If you are a current Trustee you can submit your Hotel room at the Delta Sigma Pi negotiated rate for a double occupancy as a gift-in-kind. You cannot submit anything that would be considered an upgrade to a standard room such as suites, concierge class, etc. A copy of the hotel folio is required with the expense report submission.

Examples:

- You share a room with another person and they are not a Trustee or board member then you will be able to submit only your half of the rate.
- If you are sharing a room and both of you are Trustees then each of you will be able to submit ½ of the room rate.

Qualifying days are as follows:

- You can submit up to 1 night prior to an event.
- You can submit up to 1 additional night stay following an event

Any expenses associated with room such as movies, mini bar, internet and wireless fees cannot be submitted as a gift-in-kind.

2. If you are an incoming Trustee and you attend the meeting upon your appointment then you can submit your travel costs as a gift-in-kind per the guidelines in this policy.
3. If you are a Trustee who is coming off the board at a particular meeting that you are attending you can submit your room as a gift-in-kind per the guidelines stated above.
4. Trustee Emeritus or other persons appointed by the Chairman can be eligible for gift-in-kind credit for expenses incurred for Foundation business provided they are approved by the Chairman in advance and otherwise follow these guidelines.
5. You are allowed a per diem of \$35 per day for meals as a gift-in-kind on days of travel including day of flights. If your inbound flight to attend the meeting leaves before 12pm local time you may count that day. If your return flight lands after 12pm local time you may count that day. If the event you are attending includes lunch or dinner, the per diem will be \$17.50. If the event includes both meals, no per diem will be paid.
6. Rental cars. If you have the need for a rental car you can submit it as a gift-in-kind as long as it is used for the event. If used as personal and Foundation related, then you can submit the prorated share of the cost of the rental and expenses associated with it based upon miles driven. You can submit a reasonable cost for a standard midsize rental. Any upgrade will not be considered. If a rental is needed, Trustees are encouraged to coordinate rides to consolidate cost. In this case, a larger car may be necessary to accommodate multiple people. In such cases, each person can submit their share of the cost. Parking can also be submitted as an expense of the rental.
7. If you drive to a location, or have a need for your personal car for a portion of your trip, you can submit as a gift-in-kind the mileage at the standard rate determined by the taxation laws for a not-for-profit organization. Parking can be submitted as an expense of the trip.
8. Flight cost. You can submit flight costs to a Foundation or Fraternity event as a gift-in-kind. The ticket must be a coach and you cannot submit anything that would be considered an upgrade.(ie first class) Any tickets purchased less than 14 days in advance and represent a significantly higher price may be reviewed and a portion may not qualify, please be sure you purchase any flights in a timely fashion. In order to be acceptable, the Trustee must have participated in the Foundation or Fraternity event as a representative of the Foundation.
9. Registration for an event. Registration for the event is considered an acceptable gift-in-kind and can be submitted.



10. Travel and meal costs incurred in the process of soliciting donors can be submitted as gift-in-kind. Each trustee will be allowed up to \$500 per year for these expenses. Expenses submitted in excess of this amount, must be approved by the Chairman in advance

Any request for a gift-in-kind receipt that does not meet the above standards will be denied and the audit chair will be notified. The audit chair will send notice of the receipt denial to the Trustee.

The audit committee will perform a biannual audit of gift-in-kind to ensure compliance to policy.

*Revised 8/15/03; 10/19/08; 7/1/10; 9/1/12; 11/17/15*

## **J. SCHOLARSHIP ELIGIBILITY & GUIDELINES**

### **1. General**

Employees of Delta Sigma Pi Fraternity, employees of the Leadership Foundation, members of the Board of Trustees, and members of the Board of Directors of the Fraternity cannot receive funding from the Leadership Foundation Academic Scholarship Program while serving and six months following their term of service or employment. However, this shall not preclude the Delta Sigma Pi Fraternity Collegian of the Year from receiving the scholarship for graduate studies that accompanies the Collegian of the Year recognition.

*Effective date: September 1, 2001; Approved 2/9/01*

### **2. Defining Financial Need, Qualified, Worthy**

The Scholarship Committee is to use its discretion in determining “need” based on information provided on application forms for those scholarships utilizing “financial need” as a criteria.

The term “needy” is defined as lacking in financial or other resources.

The term “worthy” is defined as having worth or merit or value; being honorable or admirable.

The term “qualified” is defined as meeting the proper standards and requirements as presented in the application.

*Approved 2/8/04; Revised 2/15/09*

### **3. Good Standing**

Each scholarship applicant (where applicable) is required to be in good standing with Delta Sigma Pi Fraternity on the date their application is submitted. In addition, if an applicant is granted a scholarship, on the date the award is distributed that individual must be in good standing with the Fraternity. If, on the date the award is to be distributed the individual is subject to disciplinary action, the award will be held pending the outcome of that disciplinary action.

If an individual is in good standing, it is not required their collegiate chapter be in good standing in order to be eligible.

*Approved 2/8/04; Revised 2/15/09*

### **4. Letters of Recommendation**

Recommendation letters for scholarship applicants will not be accepted from current Leadership Foundation Board of Trustee members or members of the Scholarship Selection Committee.

*Approved 10/19/08*

**5. Scholastic Transcripts**

Transcripts are not required for submission with scholarship applications, however a signed Transcript Release form will be required. Applicants must provide major and minor areas of study, overall GPA, average in your major area and class standing.

Electronic and hard copies of transcripts will be allowed for submission with scholarship applications when required. An official transcript will be required from the recipients for verification prior to scholarship payout.

*Approved 10/19/08, Revised 8/18/12*

**6. Accreditation of Online Degree Programs**

Online degree programs must be accredited by the nationally recognized crediting body for that field of study. To be determined by the Scholarship Selection Committee on a case-by-case basis.

*Approved 10/19/08*

**7. Application Deadlines**

Completed scholarship applications must be submitted electronically on or before 11:59 p.m. Eastern Daylight Time on June 15.

*Approved 8/21/10*

**8. Scholarship Recipient Deadline**

Recipients will have until December 31 in the year of the award to respond with the required documentation to complete the process and receive disbursement.

*Approved 3/9/14*

**9. Founders' Memorial Scholarships**

As of 2013-14, eight undergraduate scholarships of \$600 each and four graduate scholarships of \$1500 each will be awarded from the Founders' Memorial fund and other supporting resources. Effective with 2015-16 payouts, there will be eight undergraduate and three graduate at \$1000 each awarded from The Founders' Memorial fund and other supporting resources.

*Approved 3/9/14*

**K. DELTASIG FOR LIFE DONOR PROGRAM**

**1. Objective**

To encourage donors to increase unrestricted donations to improve cash flow to allow the Foundation to continue to fund Fraternity educational activities at the current, or increased, levels.

**2. Program Description**

- The Deltasig For Life Donor program recognizes donors who sign up for monthly/quarterly automatic giving with secondary recognition for level of gift (note: see Recognition Levels). Collegiate members, pledges or colony members may sign-up for annual automatic payments of not less than \$20 per payment.
- This is an ongoing program - not a campaign. The program will be reviewed by the Board of Trustees after the initial three years – Fall 2013 through June 30, 2016

- Educate donors on the importance of giving to the Annual Fund. Annual Fund supports funding for educational programming/speakers at LEAD Schools, LEAD Provincials and GCC and supports the COY program, Educational & Leadership Consultant program to support chapters, provides funding for scholarships and more.

### 3. Recognition Levels:

Recognition will be DELTASIG FOR LIFE DONOR – XX Level

NOTE: A donor must sign-up for automatic giving and be actively giving to be recognized as a part of the Deltasig For Life Donor program.

Recognition of a current collegiate member, colony member or pledge who signs up for the Deltasig For Life Donor (DFLD) program with an initial \$20.00 donation or who contributes \$20.00 in subsequent years will be recognized as a DFLD at the Grand President’s Circle Funder Level.

Recognition for alumni members:

- An alumni member who continues to meet their annual donation commitment by signing up for the DFLD program will be recognized at the appropriate DFLD funder level.
- An alumni member who joined the Grand President’s Circle between July 1, 2011 and June 30, 2014 and who continues to meet their annual donation commitment, but does not sign up for the DFLD program will be recognized at the appropriate Honor Roll level.
- An alumni member who joined the Grand President’s Circle before July 1, 2011 and who donates \$100.00 or more during any fiscal year will be recognized at the appropriate Honor Roll level.
- An alumni member who joined the Grand President’s Circle before July 1, 2011 and who donates \$50.00-99.99 annually will be recognized on the Fraternity’s website or as the Board of Trustees deems appropriate. Should an alumni member who joined the GPC before July 1, 2011 not meet their annual commitment of donating \$50.00 or more during any fiscal year, no further GPC recognition will be accorded.

All recognition at events will be for Deltasig For Life Donors at the appropriate DFLD funder level. There will be no formal recognition of ‘GPC Members’ who are not Deltasig For Life Donors.

#### RECOGNITION LEVELS FOR DELTASIG FOR LIFE DONOR PROGRAM:

Grand President’s Circle Funder (Collegiates Only): \$20/year (annual gift only)

One Star Funder: \$120/year (\$10/month or \$30/quarter)

Two Star Funder: \$300/year (\$25/month or \$75/quarter)

Three Star Funder: \$600/year (\$50/month or \$150/quarter)

Four Star Funder: \$1,200/year (\$100/month or \$300/quarter)

Superstar Funder: \$2,400/year or more (minimum \$200/month or \$600/quarter)

\*In order for a member to be eligible for a GPC Scholarship, they must be a member of DFLD by May 15 in the given scholarship application year.

*Adopted 6/5/12. Revised 6/17/14, 9/14/14; Revised 11/18/14; Revised 8/11/15*

## **L. OPERATING BUDGET SURPLUS REINVESTMENT**

At the annual August Meeting, the Trustees shall determine whether or not to take, the lesser of \$10,000 or 50% of the operating budget surplus (net of any restricted revenues) from the just-ended fiscal year, as stated on the audited financial statements, and transfer it to the Board Designated Savings until the total of such transfers equals \$100,000.

The Board Designated Savings was created to serve as a savings account for the Foundation and is to be used when cash flow is slow, unexpected expenses arise and for other uses as approved by the Board of Trustees. Any monies used from this savings will not be considered a “loan”, but rather this fund will continue to grow until it reaches \$100,000.

*Adopted on 2/8/04, affirming a policy originally adopted on 8/19/97. Revised 8/8/04*

## **M. ACCEPTANCE OF NON-CASH CONTRIBUTIONS**

### **1. General Concepts**

Non-cash gifts are welcomed but must not create undue risk or cost to the Foundation. The Foundation is not to be an operator of or principal in a business or other investment vehicle. In general, all non-cash gifts should be converted after receipt to funds suitable for the designated investment managers to invest under existing investment policy guidelines. Exceptions are to be reviewed by the Gifts and Solicitation and Investment Committees who in turn make recommendations to the full Board of Trustees for final acceptance. Where appropriate, legal counsel may be engaged to assist in reviewing the potential contribution. The Foundation will not accept gifts that could cause litigation involving the Foundation or would impair the possibility of significant future gifts. The Foundation will not serve as advisor to or fiduciary for any potential donor. The Foundation will not accept gifts in which the Foundation assumes any significant liability or expense for ownership, maintenance, or administration.

### **2. Marketable Securities**

Marketable securities transferred to the Foundation shall be liquidated as soon as possible and made available for the investment managers for reinvestment in accordance with the Foundation’s existing investment policies in place. If, in the opinion of the investment managers, the marketable security to be transferred to the Foundation is a security already suitable under the existing investment policy guidelines, the Foundation may permit the direct transfer of the marketable security to the investment managers.

### **3. Non-Freely Tradable Securities**

Securities with trading restrictions (either on the face of the security or from donor intent) in general should not be accepted until the restrictions lapse. The Foundation shall negotiate with the donor to remove such restrictions, if possible; if such restrictions cannot be removed, the full Board must approve acceptance after review by the Gifts Committee and the Investments Committee. Non-freely tradable securities for this purpose shall include partnership interests (both general and limited), joint ventures, or similar joint ownership vehicles.

### **4. Real Estate**

The Foundation will accept real estate only if it can be immediately liquidated without significant cost to the Foundation and without incurring any liability (such as ADA or environmental exposure or

undisclosed contingent liabilities). For this purpose, any oil and gas mineral interests (such as royalty, overriding royalty, leasehold interest, or working interest) shall be considered real estate. Before acceptance of any real estate, an environmental study must be done to determine the exposure to environmental contamination liability. The minimum requirement will be a Phase I environmental study, but the Trustees reserve the right to require a more extensive study based on the particular facts and circumstances. Any such study must conclude that the Foundation has no current or future risk to such environmental liability even if title is held for a short time before liquidation. Valuation of any accepted real estate shall be done by a qualified appraiser who is independent of both the donor and the Foundation, preferably at the donor's expense. Thorough investigation into the nature and validity of title in the donor is required. Fractional (undivided) interests in real estate are not to be accepted.

a. Per Trustee action in 9/13 (LF13-13), Dozier Oil Interests are excepted from this liquidation policy. These interests may be held indefinitely, until the Trustees vote to sell the interests or otherwise rescind this exception.

## **5. Bequests**

Bequests of non-cash property from a decedent must be reviewed thoroughly for both the nature of the asset to be transferred and the restrictions placed on the bequest by the decedent. If the bequest does not meet the normal acceptance requirements, then the Foundation must negotiate with the decedent's representative (Executor or Trustee) to determine whether the restrictions can be modified without jeopardizing the decedent's estate plan; if the nature of the asset or the restrictions are unacceptable to the Foundation, the Foundation must consider a timely qualified disclaimer of the bequest. Under no circumstances will the Foundation representatives prepare wills or trust documents for a prospective donor; in all cases, the donor must be represented by appropriate legal, estate planning, or financial counsel.

## **6. Personal Property, Art and Collections**

Because of tax rules surrounding related use of the property and holding period by the Foundation for full fair value deduction, contributions of personal property in general may not be beneficial to both donor and donee. If the Foundation receives notification of a gift of personal property, then acceptance of such items must follow the general guidelines set forth under Real Estate.

## **7. Insurance Policies/Living Legacy Society**

### **a. General**

Because of complex legal and tax rules surrounding the transfer of existing life insurance policies, such transfers may not be beneficial to both donor and donee. Should a donor be interested in using insurance to benefit the Foundation, the Foundation would encourage the consideration of establishing new policies or trusts in which the owner and the irrevocable beneficiary is the Foundation and in which the insured meets the tests of insurable interest. If the Foundation is named as a beneficiary in a decedent's policy, the Foundation should communicate with the decedent's representatives to determine if the decedent had written intentions concerning the Foundation's use of the funds. If appropriate, the donor's wishes should be honored.

### **b. Donations of Insurance Policies to Delta Sigma Pi Leadership Foundation**

This policy is to cover the instances where a donor proposes to transfer legal ownership of an existing ("in-force") life insurance policy on the donor's life, thereby giving the Foundation all rights and privileges of ownership, which may include but not be limited to the rights to change

beneficiary designation, borrow against the cash surrender value and obligate the Foundation to make the annual premium payments. (Donors may notify the Foundation of the donor naming the Foundation as beneficiary of an “in-force” policy without transferring legal ownership; such policies may be treated as revocable planned gifts and qualify the donor to be members of the Living Legacy Society; these type policies are not the subject of this general policy statement.)

The Foundation’s general policy is to *not* accept existing or “in-force” life insurance policies proposed to be gifted to the Foundation since the Foundation is assuming liabilities not originally contracted for by the Foundation. Exceptions to this general policy are allowed only after a review and recommendation by the Gifts & Solicitations Committee (in consultation with the Finance and Investment committees) and approval by the entire Board.

All proceeds from transferred insurance policies (at maturity or upon cashing in the policy before maturity) will be unrestricted funds and not designated funds. Although a donor may wish proceeds to go for a specific scholarship fund, etc., many changes in Foundation assets, investments, funds, and overall mission could change from date of transfer to date of maturity/cash-in. Exceptions to this policy are allowed only after a review and recommendation for acceptance by the Gifts & Solicitations Committee and approval by the entire Board.

Any acceptance of “in-force” policies must either be self-funding from accumulated dividends or any potential cash liability to the Foundation will be funded from unrestricted funds. In determining potential cash liability, the Foundation should not consider any donor pledges designed to assist in the payment of the premiums.

The Gifts & Solicitations Committee (in consultation with the Finance and Investment committees) should consider the following in making any recommendations to accept an “in-force” policy:

1. Review donor’s intentions of Foundation’s management of the policy after transfer. Does the donor expect the policy to be held to maturity or does the donor have any concerns about the Foundation cashing in the policy before maturity? (Foundation has full control of the policy after transfer but should be cognizant of donor’s intent at date of transfer.)
2. Advise donor that consultation with their own financial counsel about the economic and tax consequences of transferring the policy to the Foundation should be done. (Foundation is not to provide tax or financial advice, but needs to feel comfortable that donor understands the specific impact to donor’s economic and tax situation.)
3. Have donor’s insurance company provide the Foundation with the status of the policy (In-Force Policy Projections-Guaranteed and Current) to determine the extent of potential cash liability for future premiums. Policy should be able to self-fund or require minimal cash liability for future premiums under reasonable dividend scale assumptions if not self-funding from guaranteed dividend scale. Foundation staff should consider engaging an independent insurance consultant to review such projections on behalf of the Foundation.

*Adopted 8/8/04*

**c. Policies Already Owned by the Leadership Foundation**

Policies and procedures concerning life insurance policies already owned by the Leadership Foundation -- and how donors are credited for them – are located in section III.A of this Policy and Procedures Manual.

**d. Living Legacy Society**

(1) Membership in the Living Legacy Society is bestowed on those designating a minimum gift of \$10,000 to the Leadership Foundation through their will, life insurance, or similar method; and providing a signed copy of the statement in item (2) below.

(2) I have named the Delta Sigma Pi Leadership Foundation in my (check all that apply):

\_\_\_\_\_ (a) will

\_\_\_\_\_ (b) trust

\_\_\_\_\_ (c) life insurance policy

\_\_\_\_\_ (d) other planned gift  
of \$10,000 or more, and hereby qualify for recognition as a member of the Living Legacy Society.

(Optional) \_\_\_\_\_ I have included the appropriate documentation of my action above.

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Dated

*Adopted 2/8/04*

**8. Other Planned Giving Vehicles**

This policy statement does not address other non-cash contribution vehicles such as bargain sales, life estates, charitable gift annuities, pooled income funds, charitable remainder trusts, charitable lead trusts, support organizations, etc. These vehicles require substantial set up and administrative costs, significant minimum principal amounts, and fiduciary responsibilities that are beyond the scope of existing staff. Should one of these planned gift opportunities become a possibility, the Trustees should appoint a special committee of Trustees and advisors to the Foundation to negotiate the terms of such a planned gift. In planned giving, the Foundation should encourage the use of irrevocable gift techniques.

**9. Endowments and Scholarships**

Policies currently exist related to endowments and scholarships, including standard agreements, administration policies, and minimum amounts for establishment.

*Adopted 2/1/02*

**N. ONE-TIME UNDERGRADUATE SCHOLARSHIPS IN MEMORY OF A COLLEGIAN**

1. The collegian to be memorialized must have died within 18 months prior to the application deadline for the year in which the scholarship will be presented.
2. The scholarship shall be paid only from gifts designated for that purpose, and all gifts designated for that purpose shall be paid in the same fiscal year.
3. The designated gifts raised must be equal to or greater than \$500.

4. The person(s) or chapter proposing the scholarship shall be responsible for soliciting gifts for the scholarship.
5. The person(s) or chapter proposing the scholarship shall be responsible for distributing and encouraging scholarship applications.
6. The application shall be the Foundation's standard application, and the final selection of the recipient shall be made by the Trustees upon recommendation of the Scholarship Committee.
7. The Leadership Foundation annual report that lists scholarship recipients will indicate that the scholarship was given in memory of the deceased brother.
8. There will be no fee for providing this service.

*Adopted 2/23/03*

### **O. SALE OF GOODS AND SERVICES ON BEHALF OF THE FOUNDATION**

1. Individuals interested in selling goods and services in an effort to raise money for the Foundation must contact Staff or a Leadership Foundation Trustee prior to the activity. The Executive Committee should be notified of all requests to determine whether approval by the Trustees is required.
2. Any individual selling goods or services in an effort to raise money for the Foundation should ensure that participants understand the implications to donor credit. Below is sample verbiage that should be used to address this issue:

*This sales/fundraising opportunity is not directly sponsored by Delta Sigma Pi Leadership Foundation. Individuals participating in the sales/ fundraiser will not receive donor credit from Delta Sigma Pi Leadership Foundation, rather the individual submitter of the proceeds will receive donor credit and a tax receipt.*

## **II. ENDOWMENTS AND GRANTS**

### **A. NAMED and/or DESIGNATED GIFTS**

(See also Section B. Named Fund Agreement Template)

#### **1. General**

Named Funds shall be managed in accordance with the Agreement establishing each particular fund, or in the absence of such an Agreement, in accordance with guidelines adopted by the Board of Trustees. Descriptions of each named fund, including permanently restricted, temporarily restricted, and board designated, are included (in detail) in the Leadership Foundation 'Balance Sheet Details-Explanation of Accounts' document. The details include establishment dates, endowed dates, payout information, selection criteria and parameters, administration fees, etc.

*Revised 8/15/03*

#### **2. Endowment Requirements**

- a. **Minimum Donations** — Until July 1, 2015, minimum donations of \$20,000 are required to establish and name an endowed fund. The initial donation toward establishment of a named fund must be at least \$2,000. Effective July 1, 2015: Minimum donations of \$30,000 are required to



establish and name an endowed fund. The initial donation toward establishment of a named fund must be at least \$5,000.

*Revised 8/7/2004; 9/13/14*

- b. Time Frame to Endow — Donors have five years to fully endow a named fund. The “start date” for the five year window is the earlier of the date of the initial donation or the date the agreement has been signed by both the Donor and the Foundation. Endowment agreements in effect prior to 9/13/14 have six years to fully endow.

After the designated time period for completing the required level of funding has expired, the Trustees may provide unlimited extensions, but the administration fee will increase to 5% annually until full funding is completed. Named funds meeting less than half of the required level for full-funding will not be provided this option and balances will be transferred into the foundation’s general fund.

*Revised 8/7/04; 9/13/14*

### **3. Administrative Fees**

- a. Named, Fully Endowed Funds — All named, fully endowed funds will be charged an annual Administrative fee of 1.25% of the fair market value of the fund’s assets or \$375, whichever is greater, at June 30 each year. The actual transfer of monies is to take place shortly after June 30. Notwithstanding the foregoing the maximum annual administrative fee shall not exceed the sum of: A) 1.25% on amounts up to and including \$100,000; B) 1% on the next \$50,000 (more than \$100,000 up to \$150,000); and C) .75% on amounts of \$150,000 and higher. The actual transfer of monies is to take place shortly after June 30.

*Revised 9/13/14; 12/17/14*

- b. Funds Pending Finalized Agreements and/or Pending Full Endowment — Any fund that is pending endowment -- or pending a finalized agreement -- will be charged a total annual administrative fee of 1.25% of the fair market value of the fund’s assets or \$375 at June 30 each year. The actual transfer of monies is to take place shortly after June 30. (Exception: Those funds which were pending finalized agreements or pending full endowment as of September 13, 2014 will be charged an administrative fee of \$250 at June 30 each year until fully endowed.)

*Revised 11/29/06; 9/13/14; 12/17/14*

### **4. Investment Fees**

Any fees *directly charged* by the Foundation’s investment account manager are recovered by allocating a prorated amount of the fees to all named funds (pending or endowed) based on fund fair market value balance at the beginning of the month plus new contributions recorded for the month.

*Revised 8/8/04*

### **5. Distributions**

- a. Distributions from funds are to be made based on fair market value at June 30 annually or according to individual fund agreement parameters.

- b. For those funds stating “net income” as the basis for determining distributions, net income is defined as: interest, dividends, realized capital gains and losses; less administrative and investment fees.
- c. For those funds noting no award of less than \$250 is to be given, any investment income below \$250 will be reinvested into the fund generating it.
- d. If the fund agreement does not dictate any procedures for non-awarded monies, those monies should be reinvested into the respective endowment fund.
- e. The Finance Committee will have a standing charge as a part of the budgeting process to recommend to the Board of Trustees a distribution rate for endowed funds (the “Distribution Rate”). The Finance Committee may base this Distribution Rate on historical returns, expected returns, general market conditions, industry surveys and/or any other information it deems appropriate.
- f. The Board will consider the Distribution Rate recommendation at its Annual Meeting, beginning in August 2017. The Board may accept or amend the recommendation, but if it does neither, the previously established Distribution Rate will continue to be used.
- g. The Distribution Rate recommendation will be for the following fiscal year. This will give sufficient time (about 12 months) for the Distribution Rate to be incorporated into scholarship information and communicated to donors.

*Adopted 2/8/04; Revised 2/15/09, 8/6/16*

## **6. Additional Gifts to Named Funds**

Additional donations designated for named funds are to be credited monthly, with actual transfers of monies to take place monthly as well (in the same or following month, as practical).

## **7. Investment Income Proration**

Investment gains or losses (realized and unrealized) from pooled investments are prorated to named funds on a monthly basis based on actual performance reported by the investment manager.

## B. NAMED FUND AGREEMENT TEMPLATE

Model Agreement  
approved 12/17/14

### DELTA SIGMA PI LEADERSHIP FOUNDATION \_\_\_\_\_ FUND

Signed and agreed this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, \_\_\_\_\_  
("Initial Donor") hereby gives the assets described on the attached Schedule A. (Schedule of Initial Named Fund Assets and Administrative Fee) to the DELTA SIGMA PI LEADERSHIP FOUNDATION ("Foundation"), an Ohio not for profit corporation, to be held by such of the Trustees of the Foundation as are from time to time acting ("Trustees"), in a separate fund to be known as the "

\_\_\_\_\_ FUND" ("Fund"), which shall be administered, governed and used by the Trustees as provided in this instrument and attached schedules. Title to all assets now and hereafter received by the Foundation to be held as a part of this Fund, whether by gift, purchase or otherwise, shall be taken in the name of the Foundation. Additional gifts may hereafter be made by any donors to the Foundation to be added to this Fund, and it is the Initial Donor's hope that such additional gifts will be made.

#### ARTICLE I

**1.1 Distributions from Fund.** When the aggregate amount of contributions to the Fund reaches or exceeds **\$30,000**, the Fund shall be considered endowed. Until such time, no grants, scholarships or other awards from the Fund shall be made; however, the administration and investment fees then in effect as determined by the Trustees -- or as otherwise stated in the attached Schedule A -- shall be paid from the Fund on a basis and schedule as determined by the Trustees.

- a. No distributions are to be made to recipients until the Fund reaches endowment status.
- b. Funds must reach endowment status via contributions, not reinvestment of income within the Fund.
- c. Once the Fund reaches endowment status via contributions, it is irrelevant if market fluctuations or distributions later cause it to drop below **\$30,000**.
- d. Income from a Fund pending endowment (in excess of any administration and/or investment fees) may either be reinvested in the Fund or used by the Foundation for other purposes at the sole discretion of the Trustees.

**1.2 Nature of Distributions.** Grants, scholarships and/or other qualified distributions as stated in Schedule B. (Named Fund Selection and Distribution Criteria) shall be awarded once per Foundation fiscal year, in a **total amount not to exceed approximately five percent (5%) of the fair market value** of the Fund, on a date to be determined by the Trustees. The percentage distributed shall be at the sole discretion of the Trustees in fulfilling their fiduciary responsibilities.

**1.3 Selection of Recipients.** The Trustees shall ensure the selection of recipients of funds described above from among qualifying students enrolled in a university, college or other institution of higher learning or as outlined in Schedule B of this agreement. In pursuance thereof, and subject to the approval of the Trustees, Initial Donor may establish guidelines to assist in the selection of proposed recipients and determination of proposed award amounts; and establish procedures to be followed in selecting such proposed recipients, determining the proposed amount of each award, and recommending such recipients and amounts to the Trustees. The Trustees shall consider the proposed amount recommended for each recipient, and such recommendations shall be acted

upon by the Trustees, favorably or unfavorably, as the Trustees in their sole discretion shall determine. Initial Donor guidelines for such selection and amounts (if any) are stated in Schedule B, attached.

**1.4 Five Year Window to Endow Fund.** In the event that accumulated contributions to the Fund are less than **\$30,000** on that date which is 5 years following the earlier of: a) date which this instrument bears; or b) the date of the initial donation, this instrument shall terminate and all of the then principal and undistributed income of the Fund may be added to and become a part of the General Fund of the Foundation, at the sole discretion of the Trustees.

## ARTICLE II

**2.1 Investments.** The Trustees shall hold, manage, lease, care for and protect this Fund and collect the income therefrom all in accordance with their best judgment and discretion. Title to all property acquired by the Trustees by purchase or otherwise shall be taken in the name of the Foundation. The Trustees may invest such part of the Fund as may from time to time be converted into cash in notes, bonds, stocks, mutual funds, common trust funds, real estate mortgages, real estate or improvements thereon, or in any other income-producing property or securities, real or personal; and may make joint investments for any two or more Funds of the Foundation, including said Fund, allocating to each of such funds a proportionately undivided interest in such investments and dividing the income proportionately among them.

**2.2 Conveyances.** The Trustees shall have full power to sell and convey any and all of said Fund property, and any reinvestment thereof, from time to time, for such prices and upon such terms as they shall see fit, and no purchaser or other person dealing with the Trustees shall be obliged to see to the application of the purchase money or be charged with any duty to inquire into the powers of the Trustees or the honesty or propriety of their action.

**2.3 Reorganizations.** The Trustees may exchange any property in the Fund for other property, and may deposit any securities held by them with or under the direction of any committee formed to protect said securities, and may consent to and carry out any reorganization, consolidation or merger approved by them or by such committee, and may pay any expenses or assessments in connection with such deposit, or may exercise conversion and subscription rights and hold any property received pursuant to any such exchange, deposit, conversion or subscription as assets of the Fund.

**2.4 Real Estate.** In the event the Trustees shall acquire title to real estate, by foreclosure or otherwise, they may hold, lease, rent, repair, maintain, operate and manage the same in all respects as they may deem for the best interest of the Fund. Any leases they make may commence at the time of making the same or on a future day, and may be for such period of time as the Trustees think best, not exceeding 999 years.

**2.5 Allocation of Income.** The Trustees shall have the power to determine how all receipts and disbursements shall be credited, charged or apportioned as between income and principal, and the decision of the Trustees shall be final.

**2.6 Expenses and Compensation.** The Foundation shall be reimbursed out of the Fund for all reasonable expenses incurred in its management and protection, including the fees of any investment counsel whom the Trustees may deem it advisable to employ; and the Foundation shall receive compensation for services in that percentage of the then fair market value of the Fund principal (including net income added thereto) **annually on June 30** as shall be determined from time to time by the Trustees. The Trustees shall notify the Donor and/or his/her representatives of any change in the amount of such percentage in a timely fashion.

**2.7 Accounting.** The Trustees shall annually provide the Initial Donor and/or his/her representatives with a statement setting forth the income and disbursements of the Fund for the immediately preceding 12-month period and the current fair market value of the Fund.

**2.8 Interpretation.** Any questions arising under this Fund shall be determined in accordance with the laws of the State of Ohio.

**ARTICLE III**

**3.1 Amendment and Termination.** If the uses of the Fund described in this instrument become impracticable (for example, if a designated chapter loses its Delta Sigma Pi charter); the Trustees may amend any or all of the provisions of this instrument and its related schedules and may also terminate the Fund with 1) the written consent of the Donor or 2) if there is no reasonable way to conform with the restriction the Foundation shall make a grant of the endowed amount to another organization that can satisfy the restriction or 3) submit the matter into Court or binding arbitration to have the restriction eliminated or 4) submission to one or more impartial persons for a final and binding decision. Notwithstanding the foregoing sentence, however, any such amendment must comply with the Foundation's purposes as set forth in its Articles of Incorporation and in the Code of Regulations of the Delta Sigma Pi Leadership Foundation; and, if at any time this Fund is terminated, all assets in such Fund at the time of termination must be used by the Trustees for such purposes, except as provided by this paragraph.

THE TRUSTEES OF THE DELTA SIGMA PI LEADERSHIP FOUNDATION, on behalf of the Foundation, acknowledge receipt of the gift(s) described on the attached Schedule A., and acknowledge acceptance of this Fund, pending its complete endowment within the stated term.

\_\_\_\_\_  
Donor Signature

\_\_\_\_\_  
Executive Vice President Leadership Foundation Signature

\_\_\_\_\_  
Donor (Print or Type)

\_\_\_\_\_  
Executive Vice President (Print or Type)

# DELTA SIGMA PI LEADERSHIP FOUNDATION

## Schedule A. Initial Named Fund Assets and Administrative Fee

\_\_\_\_\_ Fund \_\_\_\_\_ Date

I. The initial contribution to this Fund (which must be at least \$5,000) is as follows: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

II.a.  The initial Administrative Fee charged to the Fund (during the period after endowment) is an annual minimum of the greater of \$375 or 1.25 % of the Fund's fair market value determined and paid to Foundation from Fund annually at June 30. It is understood the Trustees may change this amount from time to time as circumstances warrant, in their sole discretion.

The fee will be a minimum of \$ 375 on an annual basis at June 30 during the period pending endowment, if any.

For endowments exceeding Fair Market Value of \$100,000, a sliding scale for Administrative Fee applies as follows: A) 1.25% on amounts up to and including \$100,000; B) 1% on the next \$50,000 (more than \$100,000 up to \$150,000); and C) .75% on amounts of \$150,000 and higher. The actual transfer of monies is to take place shortly after June 30.

**OR**

b.  \_\_\_\_\_  
\_\_\_\_\_

III. It is understood the Fund must reach **\$30,000** in contributions within 5 years of \_\_\_\_\_ or it may be terminated and the funds diverted to other legitimate uses at the sole discretion of the Trustees.

\_\_\_\_\_  
Donor Signature

\_\_\_\_\_  
Executive Vice President Leadership Foundation Signature

\_\_\_\_\_  
Donor (Print or Type)

\_\_\_\_\_  
Executive Vice President (Print or Type)

# DELTA SIGMA PI LEADERSHIP FOUNDATION

## Schedule B. Named Fund Selection and Distribution Criteria

\_\_\_\_\_ Fund \_\_\_\_\_ Date

The initial awards from this Fund will be made no sooner than 12 months following the date the Fund reaches endowment status. Earlier awards may be made at the discretion of the Trustees if circumstances so warrant; or as outlined by Donor below.

Educational grants, awards and/or scholarships are to be made from this Fund in the following ways for the following uses: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

For reference only, note that many such awards are determined as follows:

- Applications for grants to educational programs and/or scholarships are available on the national Delta Sigma Pi website by February 15 ([www.dspnet.org](http://www.dspnet.org)).
- Applications are due to the Central Office by June 15 (or as timely related to respective programs).
- All submitted, completed applications are forwarded to a Selection Committee, as appointed by the Board of Trustees, for review and evaluation.
- Selection Committee recommends recipient(s) to the Board of Trustees for approval.
- Grant and scholarship recipients are notified by September 15 and receive funds upon proper verification of attendance, enrollment or other relevant criteria.

\_\_\_\_\_  
Donor Signature

\_\_\_\_\_  
Executive Vice President Leadership Foundation Signature

\_\_\_\_\_  
Donor (Print or Type)

\_\_\_\_\_  
Executive Vice President (Print or Type)

## C. GRANTS

### 1. Grant Procedures

- a. Grant prioritization requests are submitted to the Leadership Foundation for review and approval prior to the Annual (Summer) Trustee Meeting. These include a rough budget and proposed program detail.
- b. The Leadership Foundation Trustees review the prioritization request and determine amount of dollars available for grants during the annual summer Board of Trustees' meeting.
- c. Upon approval of budget funding by the Leadership Foundation's Board of Trustees, grant proposals will be drawn by grantee. The grant proposals will include Exhibit A and Exhibit B, as described by the existing Leadership Foundation grant agreement format.
- d. The Leadership Foundation Executive Vice President will then review the grant proposal and send to the Foundation Grant Committee for approval. If approved, a grant agreement will be prepared and issued by the accounting staff after July 1 of the fiscal year in which the grant will be earned and paid. The grant agreement should be signed and dated by both the Leadership Foundation President and the grantee's Executive Director, with copies to the respective finance staff.
- e. At the time the agreement is executed (as well as upon approval by the Trustees earlier), there are no accounting entries made by either entity.
- f. Upon culmination of the sponsored event or purchase of educational materials, etc., the grantee will provide to the Leadership Foundation complete documentation of the expenses as designated IRS qualified educational programming. The documentation will include the grant agreement and Exhibits A, B, and C per the standard existing format. Exhibit C will include copies of actual expenses incurred.
- g. Once the Leadership Foundation Grant Committee is satisfied as to the completion of the program and acceptable documentation, the committee chair will authorize grant payment to the grantee and authorize issuance of a check within the designated timeframe (currently up to two years, however the intent is for the grant agreement to be signed; activity conducted; and grant paid within the same fiscal year for both entities.)
- h. The Leadership Foundation Grant Committee shall include at least the chair of the Audit Committee and two other Trustees. Other individuals may be included on the committee (including non-Foundation Trustees). However, if any member of the committee is a Board Member, Officer or employee of the grantee, they may not be a part of the approval or authorization vote in items d and g above. Any approval or authorization given by this committee requires a majority vote.

*Revised 8/15/03; Revised 8/8/04*



**2. Delta Sigma Pi Fraternity Grant Template**

**DELTA SIGMA PI LEADERSHIP FOUNDATION – DELTA SIGMA PI FRATERNITY  
GRANT AGREEMENT**

The Delta Sigma Pi Leadership Foundation (hereinafter “Foundation”) agrees to make, within two years after the date of this Agreement shown below, a grant in the amount of \_\_\_\_\_ (hereinafter the “grant”) to Delta Sigma Pi Fraternity (hereinafter “Fraternity”), the grant being subject to the following express conditions:

1. The grant shall be used by the Fraternity exclusively to fund expenses directly attributable or allocable to the activities specified in item 2 below, such expenses to include all direct expenses and a reasonable allocable share of general and administrative costs connected with such activities. The grant shall be used within two years of the date of this Agreement shown below.

2. The grant shall be used for the following particular educational, scientific or charitable purpose or purposes which must be from among those set forth in Exhibit A attached hereto and made a part hereof:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. The Fraternity has, in Exhibit B, attached hereto and made a part hereof, (a) set a definite budget for each activity specified in item 2 above, (b) established definite plans for accomplishing each activity, and (c) developed a workable system of isolating the expenses associated with each such activity.

4. The Fraternity shall submit all expenses of the program or activity to the Foundation for approval prior to the Foundation disbursing any funds from the grant. Such reports of expenses shall be substantially in the form attached as Exhibit C.

DELTA SIGMA PI LEADERSHIP  
FOUNDATION

DELTA SIGMA PI FRATERNITY

By \_\_\_\_\_  
Title Leadership Foundation President

By \_\_\_\_\_  
Title Fraternity Executive Director

Date of this Agreement: \_\_\_\_\_

EXHIBIT A  
DELTA SIGMA PI LEADERSHIP FOUNDATION – DELTA SIGMA PI FRATERNITY  
GRANT PROGRAM

The conduct of individual and group counseling to chapter members and the training of individuals to do such counseling. Group counseling includes workshops and lectures on leadership and development, assertiveness training, understanding the free enterprise system, achievement of high scholastic attainment, citizenship, career development, alcohol and drug abuse prevention and advanced leadership training for selected individuals. Individual counseling includes one-on-one sessions with selected undergraduate chapter members of the Fraternity regarding leadership opportunities and scholarship and study techniques, and in addition each consultant should be available to advise any chapter member seeking individualized counseling regarding educational opportunities and problems.

The conduct of educational activities in the Fraternity. Such activities include the conduct of workshops and seminars in the areas of scholarship, management, leadership, career opportunities, drug and alcohol abuse and similar subjects. Such activities also include reports of various committees on scholarship, charitable and educational endeavors and similar subjects, and rap sessions.

The conduct of charitable and philanthropic activities. Such activities include the conduct of scientific research for the advancement of education and the publication of findings related to such research, the recognition of high scholastic achievement and awards related to such recognition and the acquisition of historical material for the advancement of education and the maintenance of an archives for such materials.

EXHIBIT B  
DELTA SIGMA PI LEADERSHIP FOUNDATION – DELTA SIGMA PI FRATERNITY  
GRANT PROGRAM

List each specific activity to be conducted.

Describe plans for accomplishing each activity.

Describe, and list the amount of, each budgeted expense with respect to each activity. With respect to any allocated general and administrative costs, describe briefly the system for such allocation.

\_\_\_\_\_ Date: \_\_\_\_\_  
Leadership Foundation President

\_\_\_\_\_ Date: \_\_\_\_\_  
Fraternity Executive Director

EXHIBIT C  
DELTA SIGMA PI FRATERNITY  
REPORT REGARDING THE \_\_\_\_\_ GRANT FROM  
THE DELTA SIGMA PI LEADERSHIP FOUNDATION

List Original Amount Approved for the Grant.

List Detailed Expenditures Made For the Grant Program.

\_\_\_\_\_ Date: \_\_\_\_\_  
Fraternity Executive Director

### **3. Gifts from Businesses to be Designated as Grants for Collegiate and Alumni Chapters**

The Leadership Foundation will accept gifts from businesses that are designated for grants for qualifying programming for collegiate and alumni chapters of Delta Sigma Pi. The following shall govern the acceptance and timing of these gifts.

- a. The minimum grant to a chapter shall be \$500.
- b. The Foundation will receive an undesignated gift of \$100. Thus, the minimum gift from a business will be \$600.
- c. The grant from the Foundation to the chapter shall be funded fully from the designated gift from the business. No other Foundation funds shall be used for the grant.
- d. Before the Foundation will accept a gift designated for a chapter program, the chapter must submit a grant proposal, including detailed description of the program to be conducted. The Leadership Foundation Executive Vice President will then review the grant proposal and send to the Foundation Grant Committee for approval.
- e. Before the Foundation will pay a grant, the chapter must submit evidence that the program was conducted as originally proposed. Once the Leadership Foundation Grant Committee is satisfied as to the completion of the program and acceptable documentation, they will authorize grant payment to the chapter and authorize issuance of a check
- f. The gift from the business to the Foundation, the grant funded program, and the payment of the grant all must take place within the same fiscal year.

*Adopted 8/17/02; revised 5/1/07*

## **III. OPERATIONAL PROCEDURES**

### **A. PROCESSING GIFTS**

#### **1. Receipting**

- a. Donor credit will be given to the individual who tenders a contribution to the Foundation and a proper tax receipt will be issued to the donor as described below. The donor's record will reflect a hard credit in the amount of the donation and their giving level will be adjusted accordingly. Donations may be given with a designation to be in honor or memory of individuals or events, but no hard or soft credit will be given to the honoree and no adjustment will be made regarding giving level of honoree.

*Adopted 3/15/06*

- b. Only those gifts received in the amount of greater than \$10 will be issued a gift receipt. Receipts for amounts less than or equal to \$10 will be provided upon request either at the time of donation or at a later date in the same method provided for larger donations. Receipts will include the following information:

#### **SAVE THIS RECEIPT FOR YOUR TAX RECORDS**

This contribution is deductible to the full extent allowable by law. No goods or services have been received in exchange. Your gift to the Delta Sigma Pi Leadership Foundation is gratefully acknowledged and deeply appreciated.

- ◆ Amount given
  - ◆ Check number/Credit card type
  - ◆ Date of check/charge
  - ◆ Current giving level
- c. Donor Credit for Third Party Donations – Donor gifts made through Facebook, Network for Good, and other third party fundraising entities to the Leadership Foundation will be credited to the donor record for the full amount of donation – not just the amount received by the Leadership Foundation (where processing and service fees have been deducted by the third party entity).

*Revised 8/06, 2/12*

## **2. Gifts of Securities**

- a. General Purpose — As the Foundation increases the frequency of gifts of stock and equities, clarification of stock receipt and sale of said stock is needed for the efficient and effective administration of the Foundation.
- b. Liquidation Upon Receipt — After marketable securities have been accepted without restriction by the Foundation under the policies set forth in the Policy on Acceptance of Non-Cash Contributions, such securities are to be liquidated and the proceeds or shares transferred to the investment manager as soon as possible but not later than 30 days after receipt.
- i. Per Trustee action in 9/13 (LF13-13), Dozier Oil Interests are excepted from this liquidation policy. These interests may be held indefinitely, until the Trustees vote to sell the interests or otherwise rescind this exception.

*Adopted 8/00; Revised 8/02*

## **3. Automatic Periodic Payments (APP)**

APPs are limited to a minimum of \$10 per transaction per month or \$25 per transaction per quarter.

*Adopted 2/04; Revised 8/12*

## **4. Designated Gifts**

*(NOTE: These guidelines are reviewed annually and are subject to change at any time without notice.)*

- a. Donors must contribute (fulfilled with payment- not pledges) a minimum of \$25 to be designated. Non member and other exceptions may be granted from time to time for special needs.
- b. Educational events eligible for designated gift funding include Grand Chapter Congress, LEAD Provincial Conference, LEAD School, LeaderShape®, and other similar professionally managed leadership programs approved from time to time by the majority vote of the Board. The amount of expenses that may be funded shall be based on the percentage of qualified educational programming as determined by IRS guidelines.

For those programs not organized or managed by Delta Sigma Pi, minimum designated gifts will be established on a case by case basis by the Executive Committee.

*Revised 2/12; Revised 10/12; Revised 6/13/13; Revised 11/18/14*

## **5. Insurance Policies Already Owned by Delta Sigma Pi Leadership Foundation**

- a. Do not directly associate a contribution with any specific insurance premium due. If the original donor wishes to contribute cash to the Foundation, it should be treated as unrestricted funds. Decision to pay any annual premiums rests solely with Foundation staff, Investment Committee, Finance Committee, and Board.
- d. Foundation staff should get “In-Force Policy Projections” directly from the life insurance company annually, in time for Staff, Investment Committee, Finance Committee and Board to determine whether to make the premium payment from unrestricted funds.
- e. Accounting for payments on life insurance policies should be:
  - i. Any contributions from the original donor are unrestricted receipts.
  - ii. Any premium payments are charged to life insurance expense (unrestricted expenses).
  - iii. Any increase in cash surrender value is debited to the balance sheet (Investment in Life Insurance-CSV) and credited to life insurance expense (unrestricted expenses).

*Adopted 8/8/04*

## **6. Donor Recognition Credit for Life Insurance Policies Donated To and Owned by Delta Sigma Pi Leadership Foundation**

- a. On any insurance policy accepted as an exception to I.L.7.b, the donor credit (hard) is the cash surrender value of the insurance policy on date of gift (increase to unrestricted investment assets and unrestricted contribution income). Donor is eligible for Living Legacy Society.
- b. Prior to maturity or surrender of insurance policy, all changes to cash surrender value are recorded as changes to unrestricted investment assets and unrestricted investment income (reduction of expense).
- c. When insurance policy matures (death of insured), the donor credit (soft) is the total death proceeds received from the insurance policy less the accumulated cash surrender value immediately prior to date of death.
- d. If an insurance policy is surrendered (cash-in) by Investment Committee and Board action prior to maturity, no further donor credit (soft) is recognized since decision to surrender is an investment decision.

*Adopted 8/8/04*

## **7. Gift in Kind Credit for non-paid professional speakers**

With prior approval of the President, Professional Presenters at Educational Events fundable by the Foundation can be credited for a gift-in-kind for travel expenses (but not for the "value" of the presentation per se). "Professional Presenter" is defined as someone who normally is compensated for the topic they will be presenting. The gift-in-kind for travel expenses shall follow the same guidelines for trustee gifts-in-kind. Approval of the gift-in-kind needs to be approved by the President prior to the expense occurring. If the professional speaker is being paid for their services as a professional speaker, the gift-in-kind will not be approved, as professional speaking fees are included in grants paid for educational events.

*Adopted 3/15/06*

## 8. Auctions

- a. When the Foundation receives items for auction, either live or silent, the donor is to provide the Foundation with the fair value of the item donated. The Foundation is then to prepare a receipt for the donor, noting the description of the item received, the date and the fair value (as determined by the donor). Upon completion of the auction, the Foundation is to provide a receipt to the purchaser of the item, noting the date of the purchase, a description and the stated fair value (as determined by the original donor).
- b. The donation of an item to the Foundation for a silent auction will result in donor credit being given in the following manner:

When this item is sold at the auction, the donor will receive gift-in-kind credit up to, but not exceeding the fair market value of the item donated. Fair market value is determined by the donor. The purchaser of the item at auction will receive hard credit for the amount paid to purchase said item.

*Approved 10/19/08*

## 9. Raffles

- a. The Foundation periodically receives items for inclusion in raffles. Generally, these items are accepted in advance as part of the event planning process. If not arranged prior to an event, the lead Trustee in charge of an event may accept additional items for raffle on site, at their discretion.
- b. When the Foundation accepts items for raffle, the donor is to provide the Foundation with the fair value of the item donated. The Foundation is then to prepare a receipt for the donor, noting the description of the item received, the date and the fair value (as determined by the donor).
- c. Donor credit is not given for items donated for raffle.

*Approved 3/9/14*

## 10. Golf Tournaments

When another organization conducts an event for the benefit of the Foundation, they are acting independent of the Foundation and are not an agent or representative of the Foundation as an entity. If the net proceeds of that event are remitted to the Foundation, it will be the Foundation's policy to give credit to that organization for the contribution, not to the individuals who participated in the event. Upon receipt of the funds, the Foundation will issue a receipt to the donor organization. However, should separate checks from individuals be forwarded to the foundation, then the receipt and related credit will be given to the individuals.

*Approved 10/19/08*

## 11. Selling Items

The sale of any item, by any person, intended to raise funds on behalf of the Foundation, must comply with all Fraternity policies.

*Approved 3/15/16*

## B. MANAGEMENT

### 1. Agreement with Delta Sigma Pi Fraternity

#### DELTA SIGMA PI FRATERNITY AND LEADERSHIP FOUNDATION

#### OPERATING AGREEMENT

*The document summarized below serves as an agreement between the Delta Sigma Pi Leadership Foundation and the International Fraternity of Delta Sigma Pi regarding the payment and reimbursement for occupancy and services. The agreement is reviewed annually by both the Fraternity's Board of Directors and the Foundation's Board of Trustees.*

The Foundation is a charitable organization organized and operated exclusively for educational purposes and is in need of fundraising services, program services and general administrative services.

The Provider is a national college professional fraternal organization with an experienced and qualified staff and has benefited from support of the Foundation.

Foundation desires that Provider furnish to Foundation fundraising services, program services and general administrative services and Provider is willing to furnish and deliver such services.

Now, THEREFORE, the parties hereto agree as follows:

1. Provider will provide management, financial, administrative and other corporate and office staff services for fees and time periods, as negotiated from time to time. The fees include all personnel costs, including wages, bonuses, insurance, retirement, taxes, etc. It also includes "normal" phone usage (not including telethon campaigns, etc.); use of THE DELTASIG magazine for honor roll of donors listings (up to 8 pages); and general office supplies. It does not include copies, paper, printer toner, postage or stationery. Those items will be charged at cost.
2. Provider agrees that its activities hereunder shall be to perform the fundraising services and activities at a level the Foundation has been accustomed to, while seeking to improve net results and levels of accomplishment.
3. The Foundation will also remit to Provider its direct out-of-pocket expenses incurred in performing services hereunder. Any such expenses will be within parameters previously budgeted by and agreed to by Foundation and Provider.
4. This Agreement shall be for a five year period, but may be terminated by either party by twelve months prior written notice to the other.
5. Foundation agrees to pay Provider in equal monthly installments. In the event Foundation is unable to pay in timely fashion due to cash flow issues, the amount due shall be treated as an open account payable and shall be paid by Foundation in a following period when cash is available. Interest for any such overdue amounts shall be at the current IRS-determined applicable federal rate (1% at January '13).
6. If not terminated as under item 4 above, this Agreement will renew for one year periods, maintaining a five-year agreement at all times. Annual increases in compensation will take place of not less than 2.5%, with increases between 2.5-5%, to be determined by mutual agreement of

the President of the Foundation and the Executive Director of the Fraternity. Increases greater than 5% require approval by the Leadership Foundation Board of Trustees.

7. The Fraternity may at its discretion discount the annual fee.
8. Notwithstanding the terms in contract item 6. above, the Agreement may be renegotiated at any time by mutual agreement of both parties.
9. "Chain of Command" shall consist of Provider Executive Director having responsibility and general oversight of staffing and services, under general direction of Provider Grand President, as advised by Foundation President. Both Presidents serve as representatives of their respective Boards in providing input and direction. Provider Executive Director or staff does not report directly to Foundation Board or Foundation President.

*Adopted 3/08; 2/13*

## 2. Document Retention

Accident Reports/Claims (Settled Cases)	7 Years
Accounts Payable Ledgers and Schedules	7 Years
Accounts Receivable Ledgers and Schedules	8 Years
Audit Reports	Permanently
Bank Statements	3 Years
Capital Stock and Bond Records:	
Ledgers, Transfer Registers, Stubs Showing Issues, Record of Interest, Coupons, Options, Etc.	Permanently
Charts of Accounts	Permanently
Checks (Cancelled Checks for Important Payments, Special Contracts, Purchase of Assets, Payment of Taxes, etc. Checks should be filed with the papers pertaining to the underlying transaction.	Permanently
Checks (Cancelled Except Those Noted Above)	7 Years
Contracts and Leases (Expired)	7 Years
Contracts and Leases Still in Effect	Permanently
Correspondence, General and Schedules	2 Years
Correspondence, Legal	Permanently
Correspondence, Routine with Customers/Vendors	2 Years
Deeds, Mortgages and Bills of Sale	Permanently
Depreciation Schedules	Permanently
Employee Personnel Records (After Termination)	7 Years
Employment Applications	3 Years
Financial Statements (Year-end, other months optional)	Permanently
General Ledgers, Year-end Trial Balances	Permanently



Insurance Records, Policies, etc.	Permanently
Internal Audit Reports (Miscellaneous	3 Years
Inventory Records	7 Years
Invoices to Customers or From Vendors	7 Years
IRA and Keogh Plan Contributions, Rollovers, Transfers and Distribution	Permanently
Minute Books, Bylaws and Charter	Permanently
Payroll Records, Summaries and Tax Returns	7 Years
Petty Cash Vouchers	3 Years
Property Records, Including Costs, Depreciation Reserves, Year-end Trial Balances, Depreciation Schedules, Blueprints, and Plans	Permanently
Purchase Orders	3 Years
Receiving Sheets	1 Year
Safety Records	6 Years
Sales Records	7 Years
Stock and Bond Certificates (cancelled)	7 Years
Subsidiary Ledgers	7 Years
Tax Returns, Revenue Agents' Reports, and Other Documents Relating to Determination of Income Tax Liability	Permanently
Time Cards and Daily Reports	7 Years
Trademark Registrations, Patents, and Copyrights	Permanently
Voucher Register and Schedules	7 Years
Vouchers for Payments to Vendors, Employees, etc. (Includes Allowances & Reimbursements of Employees, Officers, etc. For Travel and Entertainment Expenses)	7 Years

*Adopted 12/08*

### **3. Bequests**

Any bequests sent to Delta Sigma Pi Fraternity where the donor had Living Legacy/Planned Giving documentation on file with the Delta Sigma Pi Leadership Foundation will be routed to the Leadership Foundation.

Any bequests sent to Delta Sigma Pi Fraternity with documentation indicating intent of said gift to support scholarships, endowments or Leadership Foundation endeavors in any way will be routed to the Leadership Foundation.

Any bequests sent to Delta Sigma Pi Fraternity without any documentation on file by either the Fraternity or Foundation, nor is there any documentation indicating intent of said dollars – those bequests should be discussed by staff, Fraternity and Foundation leadership to determine the best practice for said bequest.

*Adopted 8/16*