

The Phi Sigma Pi Foundation Constitution

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Article I **Name**

Section 1: Official Name

The name of the corporation shall be The Phi Sigma Pi Foundation (hereinafter referred to as The Foundation).

Section 2: Incorporations

The Foundation shall be a not-for-profit corporation organized under the laws of the Commonwealth of Pennsylvania, and with that have perpetual succession with the powers, limitations, and restrictions herein contained.

Article II **Purpose**

Section 1: Ideals

The nature of the business of this corporation and the objects and purposes for which it is incorporated shall be the personification and encouragement of three ideals:

- A. The acquisition and dissemination of information and knowledge through scholarship,
- B. The application of professional skills and the fostering of leadership qualities by promoting and advancing the welfare of humanity, and
- C. The fostering of non-discriminatory, fraternal fellowship within the ranks of Phi Sigma Pi National Honor Fraternity (hereinafter referred to as Phi Sigma Pi).

Section 2: Objectives

To meet these ideals, the corporation shall exist to:

- A. Do and perform all things necessary and expedient to encourage, uphold, and develop the ideals set forth,
- B. Cooperate with, and to assist financially or otherwise, Phi Sigma Pi,
- C. Receive and administer funds for educational and/or charitable purposes only for Phi Sigma Pi and its endeavors,
- D. Receive any and all kinds of property, both real, personal, or mixed, and to manage, administer, invest, and reinvest, and dispose of said property; Pay, apply, and expend the funds of the corporation, both principal and income, for the accomplishment of the foregoing object and purposes, in such manner and at such time as the Board of Directors may determine,
- E. Take, receive, and hold any property, real, personal, or mixed, including insurance policies, without limitation as to amount of value; Purchase or acquire interest in, hold, sell, assign, transfer, exchange, mortgage, pledge, or otherwise dispose of any securities permitted for investment by the directors under the laws of the Commonwealth of Pennsylvania, and while the owner thereof, to exercise all the rights, powers, and privileges of ownership, including the right to vote thereon, to change and vary within time; and in general, to deal with and expend the property and funds of the corporation, for the purposes thereof, in such manner as in the judgment of the Board of Directors will best promote its purpose,
- F. Make, enter into, and perform contracts of every kind and description necessary, advisable, or expedient in carrying out the purpose of the corporation with any person, firm, association, corporation, municipality, body politic, county, state, or government,
- G. Have one or more offices as determined by the Board of Directors, and to conduct and carry on any of its business in any of the states, the District of Columbia, territories, possessions or colonies of the United States or in any foreign countries as may be determined by its directors; Create or cause to be created subsidiary corporations or agencies as may be deemed necessary to carry out the purpose of this corporation.

Section 3: Limitations

The objects, purposes, and powers herein before specified in this constitution shall in no way be limited or restricted by reference to, or inference from the terms of any other clause of this or any other Article herein, but shall be regarded as independent objects and purposes, and shall be construed as powers as well as objects and purposes, provided always that the corporation shall never have, or exercise any objects or purposes except as shall in law be deemed educational and/or charitable.

Article III
ORGANIZATION

The governing document of the corporation shall be the Constitution.

Article IV
INCORPORATION

Section 1: Incorporation Purpose

The corporation is incorporated under the Nonprofit Corporation Law of 1988 exclusively for charitable purposes as defined in Section 501(c)(3) of the Internal Revenue Code, including, without limitation, to provide the personification and encouragement of the three ideals.

Section 2: Incorporation Policies

A. No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its trustees, directors, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in the furtherance of purposes set forth in these Articles of Incorporation. The corporation shall be authorized and empowered to make payments and distributions to other organizations qualifying for the exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code. None of the activities of the corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation. The corporation shall not participate in, or intervene (including the publishing or distribution of statements) in any political campaign on behalf of or in opposition to any candidate for public office.

B. Notwithstanding any other provisions of these articles, the corporation shall not carry on any other activities not permitted to be carried on (i) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code or (ii) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

C. It is intended that the corporation shall have, and continue to have, the status of an organization which is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code. All terms and provisions of these Articles of Incorporation and the Bylaws of the corporation and all authority and operations of the corporation, shall be construed, applied, and carried out in accordance with such intent.

D. Neither the net earnings of the corporation nor donations which it receives shall inure to the benefit of any individual, as the private inurement standard is interpreted under Section 501(c)(3) of the Internal Revenue Code of 1986 (or any corresponding provision of any later federal tax law). In the event of a sale or dissolution of the corporation, surplus funds shall not be used for private inurement to any person, and such use of surplus funds is expressly prohibited.

The corporation does not contemplate pecuniary gain or profit, incidental or otherwise.

The term of the corporation's existence is perpetual.

All references in these Articles of Incorporation to sections of the Internal Revenue Code shall be considered references to the Internal Revenue Code of 1986, as from time to time amended, and to the corresponding provisions of any applicable future United States Internal Revenue Law, and to all regulations issued under such sections and provisions.

Article V **NOT FOR PROFIT**

The corporation is not organized for profit and shall not have authority to issue capital stock, nor shall the Board of Directors at any time, or in any event, by dissolution or otherwise, be considered owners of, or entitled to any of the assets, funds or property of said corporation, of which all assets and property shall be exclusively and forever devoted to the express purposes set forth in this Constitution. The conditions of membership in the corporation and the rights of its members shall be such as stated in the National Constitution of the corporation. The directors and officers of this corporation shall be entitled to all necessary and reasonable expenses incurred in the performance of duties. No compensation shall be paid to directors as such, nor to officers other than those regularly employed by the corporation.

Article VI **Fundraising**

Section 1: Beneficiary of Funds

The Foundation shall be limited to raising funds only for Phi Sigma Pi and its endeavors. Fundraising or supporting any other endeavors, philanthropic or otherwise, shall not be permitted by the Foundation.

Section 2: Areas of Fundraising

The Foundation shall focus its efforts primarily on raising unrestricted support for Phi Sigma Pi. Donors to the Foundation will continue to have options where they choose to direct their support; however, the Board of Directors will aim its efforts to support the widest range of endeavors for Phi Sigma Pi. Phi Sigma Pi may provide direction to the Board for any strategic objectives on a yearly basis to help align fundraising efforts with the ongoing needs of Phi Sigma Pi.

Section 3: Transfer of Funds Raised

The Foundation shall transfer the set percentage of funds raised each fiscal year to Phi Sigma Pi as outlined in the current Operating Agreement between the Foundation and Phi Sigma Pi.

Section 4: Fundraising and Membership Requirements

In an effort to continue the growth of both the Foundation and Phi Sigma Pi, the Foundation shall adhere to minimum increases in both funds raised and active membership each fiscal year. The Foundation shall increase the funds raised and donor base each year as outlined in the current Operating Agreement between the Foundation and the Phi Sigma Pi.

The Foundation shall adhere to all federal and state laws requiring registration or other paperwork to be filed to participate in fundraising activities.

Article VII **LIABILITY**

The private property of members of the corporation shall not be subject to the payment of corporate debts to any extent whatsoever.

Article VIII **Membership**

Section 1: Requirements.

Foundation members shall consist of donors who have reached a cumulative monetary giving level to the Foundation and maintain a minimum annual monetary contribution, once the cumulative level is attained that is determined by the Board of Directors. These members shall be considered Active Members.

Article IX **BOARD OF DIRECTORS**

Section 1: Number

The Foundation shall have a Board of Directors which shall serve as the governing body of the organization. This Board will consist of seven (7) Directors. Three (3) Directors shall be appointed to the Board by the National Council of Phi Sigma Pi; three (3) Directors shall be elected from the active membership of the Foundation; and one (1) Director shall be the Vice President of Finance of Phi Sigma Pi.

Section 2: Powers

The Board of Directors may employ such agents, employees, or attorneys as in its opinion shall be necessary to transact the business of this corporation, and no director shall be responsible for the default or misconduct of any such agent, employee, or attorney, nor shall any director or their successor be responsible for acts committed in connection with this corporation by any other director, or their successor, nor shall a director be in any manner responsible for the misconduct, fraud, or negligence of any director. The Board of Directors shall have the authority with consent of the members of the corporation and the Grand Chapter of Phi Sigma Pi to dissolve this corporation and transfer its assets to another

corporation, provided that no action shall ever be taken by such other corporation as will divert any of the property or income of the subject corporation from the purposes and objects hereinbefore set forth.

Section 3: Limitations of Ex Officio Directors

The Fraternity's Vice President of Finance shall serve as an ex officio Director and have the following limitations;

1. They shall not hold an office within the Board of Directors.
2. They shall not vote, except on any matter where their vote will change the outcome.
3. They shall not report to the Board of Directors and therefore shall not be given any requirements by the Board of Directors or the corporation.

Section 4: Appointment and Responsibilities of the Executive Director

The Executive Director for the corporation shall be appointed by the President of the corporation with the approval of the Board of Directors. The administrative tasks necessary to the proper functioning of the organization shall be conducted by this Executive Director.

Section 5: Election Process and Terms of Directors

Director terms will be staggered in two (2) year terms. In odd years, two (2) National Council appointed positions and one (1) Foundation elected position will be filled, and in even years, one (1) National Council appointed position and two (2) Foundation elected positions will be filled.

Only in fiscal year 2015-2016, two (2) National Council appointed positions and one (1) Foundation elected position shall be filled for a one (1) year term, while the remaining appointed and elected positions shall be filled for the full two year term.

Section 6: Officers.

The Board of Directors shall elect or appoint from their number the officers of the corporation. These shall consist of a President, Vice President, Secretary, Treasurer, and such other officers as the Board may elect or appoint from time to time. The officers shall act for the corporation in all matters pertaining to its management except in those matters that the Board expressly reserves for action by the entire Board of Directors. The President, Vice President, Secretary, and Treasurer shall be elected at a regular meeting of the Board of Directors for a term of one (1) year. Each officer shall continue in office until their respective successor has been duly elected and qualified or until they have resigned or been removed from office.

1. President's duties.

The President shall be the chief executive officer of the corporation, and shall have general supervision over its business and affairs and over its several officers, agents, and employees, subject, however, to the control of the Board of Directors. They shall preside at meetings of the Board and in general shall perform all duties incident to the

office of President, and such other duties as may from time to time be assigned to him/her by the Board.

2. Other officers' duties.

Other officers shall have such powers and shall perform such duties as usually pertain to their respective offices, together with such additional powers and duties as may be specifically authorized by resolutions of the Board of Directors.

3. Bonds.

The Treasurer or any person having custody or control of any funds of the corporation shall be bonded at the expense of the corporation in such amounts as may be determined by the Board of Directors; and when so required by resolution of the Board, any person or entity having custody or control of any funds of the corporation, shall give bond in an amount with surety or sureties satisfactory to the Board conditioned upon the faithful performance of their duties.

Section 7: Resignations and Removals

1. Resignation and Removal of an Officer

Any officer may resign at any time from office by giving written notice to the Board of Directors or to the President or Secretary of the corporation. Such resignation shall take effect at the date of the receipt of such notice or at any later date specified therein, and unless specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any officer may at any time be removed from office by a majority vote of all members of the Board of Directors, upon written notice delivered to such officer. A vacancy in any office shall be filled for the unexpired portion of the term in the manner prescribed in these bylaws for regular elections or appointment to such office. If the President resigns or is unable to serve, they shall be succeeded by the Treasurer.

2. Resignation and Removal of a Director

Any director may, at any time, resign and be relieved from responsibility created by this Constitution and the business and affairs of this corporation, upon giving notice in writing of such resignation to the President, Secretary, or the remaining members of the Board of Directors. Any director may at any time be removed from office by a majority vote of the Board of Directors or a majority vote of the members of this corporation. In the event of a vacancy on the Board of Directors, the directors of the corporation shall elect by a majority vote of those present and voting, a director to fill such vacancy for the unexpired term.

Article X MEETINGS

Section 1: Board of Director Meetings

The Board of Directors shall meet regularly to conduct business. Meetings may be called by the President or 4 directors. Meetings or portions of any Board of Directors meeting shall be open to the membership to attend unless otherwise determined by a majority vote of the Board of Directors.

Section 2: Special Membership Meetings

Special meetings of members shall be called by a majority of the Board of Directors, or at least twenty percent of the Active membership.

Section 3: Meeting Notices

Notices of all membership meetings shall be given to each member and the Executive Director of the corporation, as well as the National Council of Phi Sigma Pi, by mail or electronic mail at least thirty (30) days prior to date of meeting.

Section 4: Voting

At all meetings of Members, Active Members of the corporation who are members of Phi Sigma Pi shall be entitled to one vote in person or by proxy. Voting Members may give their proxy only to another Member of the corporation. Each proxy must be documented in writing and shall be limited by its terms to a specified meeting.

Section 5: Quorum

At all membership meetings, one-half (1/2) of the voting members, either in person or by proxy, shall constitute a quorum.

Section 6: Minutes

At each meeting of the Board, the Secretary, or in their absence any person appointed by the chairperson of the meeting, shall record the minutes of the meeting. Those minutes shall be made available to the membership within sixty days of the meeting.

Article XI
FINANCES

Section 1: Income

All cash funds of the Foundation shall be deposited in the name of The Phi Sigma Pi Foundation in institutions which are members of the Federal Reserve System or the Securities Investor Protection Corporation. Checks, drafts, and other items for collection requiring endorsement shall be endorsed in the name of the corporation and deposited to its account.

Section 2: Expenditures

Expenditures for current operating expenses and other purposes shall be authorized by the Board of Directors. Authority may be explicitly delegated to employees or agents of the corporation as determined by the Board; however, such authority shall be limited to the terms of delegation. The Board shall maintain final authority over all funds and shall be duly responsible for any expenditure outlaid by employees or agents. All checks issued

against any of the corporation's accounts shall be signed by the Treasurer and countersigned by a second officer, except when authorized otherwise by the officers.

Section 3: Investments

All investment transactions shall be authorized by the Board of Directors. All bonds and other investments, except those obtained by gift, of the corporation shall be those legal for investment by the directors under the laws of the Commonwealth of Pennsylvania and shall be deposited in a custodian account with an institution which is a member of the Federal Reserve System or which is insured by the Securities Investor Protection Corporation and entered on the books of the corporation in the fund or funds to which they belong. All securities for those investments to be administered by the custodian agent shall be conveyed to the custodian over the signature of the Treasurer and a second officer, except when authorized otherwise by the officers.

Section 4: Dissolution

In the event that this corporation is ever discontinued or liquidated, its assets shall be transferred to Phi Sigma Pi. Should the receiving organization no longer exist, assets shall be distributed among those educational institutions of college rank still existing where chapters of Phi Sigma Pi have been established. Such distribution shall be in accord with State and Federal law providing for nontaxable gifts to non-profit organizations or educational institutions.

Article XII **FISCAL YEAR AND AUDIT**

Section 1: Fiscal Year

The fiscal year of the corporation shall begin on the first day of July and shall terminate on the thirtieth day of June in each year.

Section 2: Audit

The books of accounts and other records of the corporation for each fiscal year shall be examined and audited by a certified public accountant to be selected by the Board of Directors, and a copy of the audit report shall be submitted to each director, the Executive Director of the corporation, and the National President of Phi Sigma Pi.

Article XIII **AMENDMENTS**

Section 1: Constitution

Any Member shall have power to propose amendments to this Constitution as they shall deem proper for the management of the business of this corporation. Proposals shall be submitted in writing to all members at least thirty (30) days prior to an annual or special meeting held in accordance with the corporation's Bylaws and as provided by the laws of the Commonwealth of Pennsylvania at which voting on such shall occur. The proposed

amendment shall be adopted upon receiving at least a 2/3 vote in the affirmative cast by Active members present or represented by proxy at such meeting with quorum. Any such amendments shall be implemented under the procedures required by the statutes of the Commonwealth of Pennsylvania.

Article XIV
SEVERABILITY

Should any portion of this Constitution be found to not be in compliance with the statutes of the Commonwealth of Pennsylvania, all other portions shall remain in full force and effect.