



ALPHA KAPPA PSI

The Professional Business Fraternity

BOARD OF DIRECTORS' STATEMENT OF POLICY

Shaping People, Shaping Business

October 2019

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Preamble

This statement of policy is to be used as guidance in establishing and maintaining procedures at all levels of the fraternity. In addition to the policies stated in this document, all other documents published by the Board of Directors shall be considered the policy of the Board, and may only be altered by the Board of Directors or another governing body, which is authorized by the Board to do so. These other documents include but are not limited to the "Bylaws for College Chapters," the "PEP Manual," and the "Employee Handbook."

Alumni Chapters – Certification Process to Vote

The Board of Directors of Alpha Kappa Psi Fraternity shall annually certify Alumni Chapters to be eligible to vote in the Chapter Congress Meeting, Board of Directors election and Regional Meetings. Certification is based upon meeting the alumni chapter minimum standards as of the previous May 15 and continued recognition of good standing.

Alumni Chapters – Minimum Standards

It shall be the policy of Alpha Kappa Psi Fraternity that all alumni chapters adhere to the minimum standards as outlined below. Failure to adhere to these minimum standards as of May 15 each year is cause for an alumni chapter to be reviewed by the Board of Directors and potentially closed.

- Chapters must remit \$150 franchise fee by the May 15th deadline.
- Hold two non-business meeting activities.
- Hold one business meeting to elect officers and plan a calendar of events.
- Report officer roster.

Attendance at the Chapter Congress Meeting and College of Leadership

It shall be the policy of Alpha Kappa Psi Fraternity that all student chapters have a delegate and an alternate delegate in attendance at the Chapter Congress Meeting and the College of Leadership so long as the "College" is held in the same week as the Chapter Congress Meeting; also known as the Convention.

The payment of the registration fees associated with each event shall be the responsibility of each chapter. Payment of the registration fees for the delegate and alternate delegate shall be made in four (4) equal installments over a two (2) year period in accordance with a schedule established by the Chief Executive Officer. Each chapter shall contribute \$250.00 per semester to a Convention Savings Plan set up and maintained by the Heritage Center staff. Failure of the delegate and alternate delegate to be in attendance at both events shall not relieve the chapter of the responsibility for payment of the registration fees.

If the chapter registers and fails to have a delegate and an alternate delegate in attendance at the Chapter Congress Meeting and College of Leadership, or if the chapter fails to register, the chapter shall forfeit the entire Convention Savings Plan.

If a chapter fails to send a delegate and an alternate delegate to two consecutive Conventions, the chapter shall be placed on probation upon the approval of the Board and may face charter revocation. This policy starts with and includes the 2011 convention.

Awards Policy

It shall be the policy of Alpha Kappa Psi Fraternity that procedures for fraternity awards are published in the *Student and Alumni Awards Catalog*.

Board of Directors: Other Positions

An Alpha Kappa Psi Board Member may not hold a position on the Alpha Kappa Psi Foundation Board of Directors, the Alpha Kappa Psi Fraternity Management Team or any other volunteer position working with a student or alumni chapter.

Board of Directors: Term Expiration

A Director's term shall be considered expired at the conclusion of the summer meeting of the Board of Directors in the final year of their term.

The term of office for a new member of the Board of Directors shall commence at the conclusion of the summer meeting of the Board of Directors in the year in which their term shall commence.

Directors-elect should be known at least thirty (30) days prior to the annual meeting of the Board of Directors so the Director-elect can be invited to attend the annual meeting of the Board. However, unless that Director-elect is an incumbent Director, the Director shall not have the right to vote at the meeting.

Board of Directors: Term Vacancies

In the event of a vacancy on the board, a replacement candidate meeting the requirements for being a board member can fulfill the remaining term of the vacant position if approved by a majority of the board members using any of the approved ballot methods of the board.

Board of Directors/MT: Travel

Automobile Mileage

Automobile mileage driven for fraternity business will be reimbursed on the same basis as reimbursement provided other volunteers.

Airfare

Airfare is reimbursed at lowest available coach rate. When possible, all airline reservations should be made at least 30 days in advance.

Food

Meals will be reimbursed on the actual out of pocket basis according to the following guidelines:

- Breakfast - \$7.50
- Lunch - \$10.00
- Dinner - \$17.50

Meals not included in convention, Principled Business Leadership Institute or other meeting registration fees, will be reimbursed based on the above policy. Those meals during a board meeting or MT meeting that are not part of an organized program will be reimbursed on the same policy.

Tips and Gratuities

Tips and gratuities will be reimbursed on an actual out of pocket basis. The following are provided as guidelines for tips and gratuity expenditures:

- 15% for meals
- \$5.00 per day for miscellaneous items
- Convention (i.e. that which is conventional)

Convention

The convention registration fee will be waived for each member of the Board of Directors upon completion of a minimum of 4 hours of volunteer work on-site at the event. These hours are exclusive of time spent serving on a committee or as a speaker at the event. The convention registration fee will be waived for each member of the Management Team upon completion of a minimum of 2 hours of volunteer work on-site at the event, participation in the chapter congress meeting and hosting a regional caucus. These hours are exclusive of time spent serving on a committee, or as a speaker at the event.

Hotel Rooms

Lodging for Board of Directors or MT meetings and conventions will be reimbursed on a double room basis commencing the night preceding the first scheduled activity through the night of the adjournment of the meeting and/or convention. Those individuals requesting a single room may do so, but will be responsible for payment of ½ the rate. During the convention, the only individuals to be provided a suite will be the chairman of the Board of Directors and the president. Any other member of the board or MT requesting a suite will bear the additional expense over room allowance. Other travel policies apply to convention.

Taxi/Shuttle Van

Out of pocket limousine or taxi fares will be reimbursed. Shuttle vans should be used when practical.

Telephone

Out of pocket costs for long distance charges relating to fraternity business will be reimbursed but should not exceed \$10.00 per day.

Entertainment

All entertainment expenses will be borne by the individual and not the fraternity. This includes the purchase of alcoholic beverages.

Clothing

At some fraternity functions, the dress may be formal. The fraternity will not bear the expense for a board or MT member's tuxedo or evening gown. With regard to valet services, the fraternity will not be responsible for any valet charges incurred as a result of travel.

Board of Directors/MT: Voting On Matters in Which They May Have a Financial Interest

It shall be the policy of Alpha Kappa Psi Professional Business Fraternity that members of the Board of Directors or MT shall abstain from voting upon matters whenever:

- The member personally has extended or guaranteed a loan to the Chapter (or Chapter Corporation), or
- The matter being voted upon may have a significant effect upon the financial interests of the member, and
- The amount outstanding on such loan, or the liability of such member upon such guarantee, exceeds \$1,000.

This is a statement of policy only and it is expressly intended that no contract, action or transaction shall be void as a result of this policy.

Change of Policies: Method to Handle

Any Brother, Chapter, or other legal entity of the fraternity may submit proposals for policy changes to the Heritage Center. These proposals must be in writing and as complete as possible. All such requests will be considered by the Board of Directors at its next scheduled meeting.

Chapter Closing Policy – Financial Assets

Upon the closing of a chapter, the chapter shall submit any remaining funds left in its account(s) to Alpha Kappa Psi Fraternity, Inc. All amounts submitted will be used to satisfy any debts owed to the fraternity by the chapter, including any previously written off amounts. Any amount less than \$750 will be recognized as collection revenue and transferred to the general fund. If the amount remaining is in excess of \$750, that amount will be held for a period of 5 years to help defray the costs of re-opening the chapter, with the remaining amount returning back to the chapter upon chartering. If, after a period of 5 years, the chapter remains closed, the amount left in the closed chapter escrow payable account will be transferred to the general fund and recognized as revenue upon approval of the BOD.

Chapter Closing Policy – Returning Property owned by Alpha Kappa Psi Fraternity, Inc.

Upon the closing of a chapter, the chapter must return all property of Alpha Kappa Psi Fraternity Inc. to the Heritage Center. Property of Alpha Kappa Psi Fraternity Inc. includes ritual robes and regalia, all copies of the *Ritual of Alpha Kappa Psi* and the chapter charter.

Chief Executive Officer – General Functions

The Chief Executive Officer, individually, is the Chief Staff Executive, and he/she:

- Recommends general goals and long range planning issues for Board of Directors consideration.
- Plans and recommends programs for each 2 year period and such revisions as may be needed every 6 months.
- Recommends budgets based on the programs adopted.
- Adjusts programs to the budget in the light of priorities approved by the Board of Directors.
- Hires the staff needed to implement the programs.
- Motivates staff, through consultation, to carry out delegated assignments and responsibilities. (Each is held accountable for results to the Executive; each participates in decision making.)
- Controls operations by appraising and evaluating the work of staff without close personal supervision and by establishing standards by which each staff member may measure and report on his/her own progress.
- Introduces new activities, concepts, programs and approaches to encourage and provide a release of the creative abilities of the staff.
- Makes decisions, selecting from alternatives presented by staff, with supporting data and recommendations.
- Effects improvements and methods by analyzing problems and devising better methods.
- Reports progress periodically to the Board of Directors.
- Takes corrective action if progress is regarded as unsatisfactory.
- Establishes remuneration schedule for the staff.
- Serves as an official spokesperson for the fraternity and foundation.

Communications – Circularizing Membership

The Chief Executive Officer may authorize the circularizing of the membership for services and products so long as they are in good taste and consistent with the vision of the Fraternity.

Communications – Editorial Policy of “The Diary”

The primary focus of the editorial content of *The Diary* is on professional development for alumni and student members and information of interest to Alpha Kappa Psi alumni. Student and Chapter news should be limited in *The Diary* and will only be included when it is of significance, use, or interest to the entire organization. It is the intent of the fraternity to provide for all news that is a benefit to our members; however, at least 65% of the content of each issue will be targeted for alumni members.

Communications – Electronic Mail Policy

The following Electronic Mail Policy (E-mail Policy) covers any staff or volunteer position within Alpha Kappa Psi Fraternity when conducting fraternity related business. Volunteer positions would include, but not limited to Board of Directors, Management Team, committees, task forces, or any other individuals conducting business in the name of Alpha Kappa Psi.

The most sustainable and productive E-mail policies are those that give appropriate respect to our members' desire for and expectations of privacy. It also should provide for responsible and thoughtful procedures when legal obligations or business needs suggest that some invasion of those privacy interests is warranted.

Basically, the rules of common courtesy and consideration of others apply to the use of E-mail amongst our members. The major underlying principle is that E-mail should be held as much as possible to the principles that are normally associated with the U.S. Postal Service.

Fraternal E-mail should not be used for illegal or wrongful purposes. This includes an understanding of privacy, universal service, as well as freedom from fraud and harassment. Added to this understanding is a plea to avoid the distribution of junk mail and unauthorized solicitation of our members. Alpha Kappa Psi Members may not use E-mail messages to infringe the copyright or other intellectual property rights of third parties, or to distribute defamatory or fraudulent messages.

Listed below are some guidelines for our E-mail usage. This is, by no means, a list to cover all situations. However, this list will cover most situations encountered by our members while conducting fraternity related business.

1. Posting of chain letters is unacceptable
2. Do not Spam or send mass E-mail unless part of an E-mail group formed for just such purpose
3. If requested not to E-mail to an address, immediately stop
4. The use of offensive, insulting or abusive language is forbidden
5. The transfer of sexually explicit images is forbidden

Communications – Meeting Minutes: Distribution

To promote and enhance communication within the fraternity, the minutes of all Executive Committee, Board of Directors, Management Team Officer, or Management Team meetings (including conference calls) are to be distributed to all Board and Fraternity Management Team Members within 10 business days of the meeting or call.

Communications – Public Statements or Release of Information

It is the policy of Alpha Kappa Psi Professional Business Fraternity to furnish information about the fraternity and its activities to members and the general public within the limitations

imposed by legislation, ethics, private membership (rituals), and the regulations of the Internal Revenue Service; and to cooperate with representatives of all communications media and Colleges/Universities officials.

News Releases

All news releases, feature stories, and/or official fraternity statements are prepared by the Heritage Center staff for distribution to newspapers, magazines, radio and television.

Emergency Situations

Upon learning of the occurrence of an emergency serious enough to evoke public interest, the Chief Executive Officer (or his designee) shall, as quickly as possible, collect all available information concerning the occurrence and notify all appropriate persons. He will also coordinate the release of information to news media representatives. Other members of the fraternity should be cautioned not to answer questions from news media representatives, unless they have clearance.

The Chief Executive Officer (or his designee) shall be the official spokesman for the fraternity in response to news media queries. However, members of the Board of Directors, other fraternity board and committee members, and local advisors may be contacted by news media personnel.

Insofar as possible, responses to news queries and the release of pertinent information should be handled by the following individuals, in order:

1. Chief Executive Officer
2. Chairman of the Board
3. President
4. Vice Chairman
5. Fraternity Officers
6. Secretary of the Board
7. Treasurer of the Board
8. Other Board Members
9. Regional Directors
10. Section Directors
11. Chapter Advisors

Unless prior clearance has been given and consultation regarding all events surrounding the emergency or incident has been received, inquiries from media representatives should be referred to the Chief Executive Officer. In all cases, the Chief Executive Officer should be notified of any direct media contact.

Communications – Publications and Materials

Reproduction of manuals and publications of the fraternity, including *The Diary*, without express permission from the Chief Executive Officer is expressly prohibited.

Communications – Web Policy

The Chapters of Alpha Kappa Psi are encouraged to develop web sites, which enhance the communications and public image of their chapter and the fraternity.

The contents of a chapter or regional home page must be maintained regularly, must contain appropriate content, and must be in good taste. Web sites may not contain inappropriate language; offensive images; promote the use of illegal drugs; encourage the use of alcohol; or depict races, cultures, religions, or any person in a manner that is demeaning.

On a regular basis, Regional Directors will be asked to review chapter web sites to determine if their links to the fraternity web site should be maintained or removed.

Conflict of Interest

Alpha Kappa Psi has a responsibility to assure its chapters and members, officers, employees and the general public that there is a high degree of integrity and objectivity maintained in transacting its business.

In carrying out their responsibilities to the fraternity, all employees, officers, Board members, MT members, and other volunteers are expected to refrain from establishing relationships and/or engaging in activities which could affect their impartiality or compromise their ability to freely accomplish their functions in the best interest of the fraternity, or which would imply fraternity sponsorship or sanction of any activity not directly related to its operation. If such a situation exists, the person must disclose the relationship to the Chief Executive Officer and the Board of Directors. After full disclosure the Board of Directors shall vote to determine the appropriate action for the fraternity. If the person is a member of the Board then the person shall not be present to vote.

Therefore, every employee, officer, Board member, MT member or other volunteer, who has a responsibility for taking actions on behalf of Alpha Kappa Psi, or any of its Chapters, must avoid any arrangement, agreement, investment or other activity of any sort for personal gain which could be construed as being contrary to the fraternity's best interest.

Therefore, every employee, officer, Board member, MT member who has a responsibility for taking actions on behalf of Alpha Kappa Psi, or any of its chapters, shall sign a statement which affirms that such person –

1. Has received a copy of the conflict of interest policy,
2. Has read and understands the policy,
3. Has agreed to comply with the policy, and
4. Understands that the fraternity is a non-profit organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Convention Committees/Standing Committees

All committees at any Convention shall be composed of those members (if any) of the corresponding Fraternity Standing Committee (FSC) in attendance at the Convention, plus sufficient other registered convention attendees to provide for regional representation (based upon recommendations received in advance from the Regional Director, with the actual assignments made by the President).

If the chairperson of the FSC is present, he/she shall serve as chairperson of the committee at the convention. If the chairperson of the FSC is absent from the convention, the President shall appoint an acting chairperson to serve for the duration of the convention.

If there is any committee(s) required at the fraternity convention that does not have a corresponding FSC and is not covered by other provisions of the Constitution and Statutory Codes, the President shall appoint both the chairperson(s) and the members.

In the event a committee is under the purview of the Board of Directors, "Chairman" shall be substituted in the above text for "President."

Definition of Good Standing

Good standing shall be defined as follows:

1. *Student Members* – All fees, dues, fines, etc. paid within 30 days of due date and contributing to the growth and well-being of the local chapter and the fraternity by attending chapter events as required and fraternity events as able. Any member who has been suspended shall not be considered to be in good standing until the suspension is lifted
2. *Alumni Members* – Contributing to the success of the fraternity by joining the Alpha Kappa Psi Alumni Program (joining an Alumni Chapter or becoming a Life Loyal member) and attending local and fraternity events as able.
3. *Faculty and Honorary Members* – Contributing to the success of the fraternity by attending local chapter and fraternity events as able.

Disciplinary Actions

Judiciary Committee – Duties and Appointment

The Judiciary Committee shall be empowered by the Board of Directors to review any action by, of, or between chapter(s), brother(s), pledge(s), or guests (members may be held accountable for the actions of their guests) which it deems to be a violation of the *Constitution, Statutory Code, Board of Directors' Statement of Policy* and other governing documents, or generally inappropriate behavior detrimental to the reputation of Alpha Kappa Psi or that endangers the continued smooth operation of the fraternity.

The Judiciary Committee will develop and maintain a Judiciary Committee Operations Manual (or like document) outlining the fraternity's disciplinary procedures.

The Judiciary Committee is tasked with serving as a consultant to any chapter disciplining its members according to the fraternity's governing documents; serving as an investigative body for any cases in which the chapter is unable or unwilling; serving as the investigative body for any matters involving a student or alumni chapter, member, volunteer or any non-chapter affiliated member; providing ongoing review of fraternal governing documents pertaining to discipline to ensure their integrity and consistency; and at its discretion, reviewing cases which were adjudicated by other parties. When serving as an investigative body, the Judiciary Committee shall ensure that a complete investigation has been conducted, including a determination of guilt, and imposing an equitable sentence when warranted.

The Judiciary Committee consists of members appointed by the Board of Directors. These members will serve the committee as general committee members. The committee shall recommend a chairperson to the Chairman of the Board of Directors for appointment.

Any sanctions and/or terms of probation resulting from a finding of "in violation of" on the part of a chapter or individual will be levied by the Chief Executive Officer, or his designee, in conjunction with the Chairman of the Judiciary Committee. Such sanctions shall carry the full weight of the Board of Directors unless appealed to the Board of Directors.

Judiciary Committee – Expenses

Members of the Judiciary Committee or other parties charged with the responsibility of investigation allegations against members or chapters will be reimbursed in accordance with applicable fraternity policy for any expenses incurred during the course of the investigation. In the case of chapter investigations, these expenses shall be borne entirely by the chapter, if found "in violation of". In all other cases, expenses will be recovered wherever possible.

Discipline of Chapter Officers – Removal from Office

At his or her discretion, the Chief Executive Officer may remove a chapter officer(s) for disciplinary reasons from an elected or appointed position after guilt has been established and in cases not involving expulsion, suspension or termination of membership. This sanction may be imposed after a review of facts including, but not limited to, the following: the nature of the offense(s), aggravating circumstances, any recommendation from the investigating and/or adjudicating party, the officer's position, and the officer's direct or indirect influence upon the chapter's continued operation.

Discipline of Members – Temporary Suspension

Upon request by the Judiciary Committee, the Chief Executive Officer may temporarily suspend a member and preclude said members for a stated period of time from activities and meetings of any body of the fraternity. This should be done as an intervention as a matter of safety and/or well-being of the said member, other members, the chapter and/or

fraternity. Chapters and members are responsible for enforcing this policy at their activities and events.

Diversity Statement

Alpha Kappa Psi's membership is based on mutual respect, tolerance and acceptance of others without bias. We work to help each other emulate our values of brotherhood, knowledge, integrity, service and unity.

Financial Policy – Alumni Dues

The Board of Directors shall establish dues and fees for annual alumni program membership.

Alumni Chapters

The dues structure for alumni chapters shall be as follows:

- Alumni chapter charter fee - \$150, with the franchise fee waived for the first fiscal year

Financial Policy - Approval of Budget

The Board of Directors shall adopt the annual budget of the fraternity at its annual meeting. The Board of Directors may from time to time adopt revisions to the annual budget during the fiscal year.

Financial Policy – Budget Guidelines

The Board of Directors, in its fiduciary capacity, must approve a budget for the Fraternity annually. The following guidelines are promulgated to assist the Management Team in developing a budget.

1. Revenue must equal or exceed expenses.
2. Regional Budgets must be calculated based on the Regional Budget Formula adopted by the Board of Directors.
3. Pledge and initiate revenue must be based on a marketing plan, which demonstrates growth as its objective.
4. Management Team expenses may not exceed ten (10) percent of the total expenses.
5. Board of Director expenses may not exceed one (1) percent of the total expenses.
6. Regional Directors may use their discretion in the allocation of funds from the Regional budget except that any visit or trip within 40 miles of the individual's home will not be subject to reimbursement.
7. Committee budgets must reflect the same as above relative to distance.
8. Training for staff and volunteers must be included in the budget.
9. Depreciation must be expensed in the budget.
10. Sufficient funds must be allocated to carry the items included within the Strategic Plan.

11. Sufficient funds must be allocated for convention/conferences, Board and MT meetings and conference calls.
12. Sufficient funds must be allocated to pay the mortgage, taxes, insurance and other expenses associated with operating the Heritage Center building.

Financial Policy – Capital Expenditures, Depreciation, Expense Approval and Release of Funds

Capital Expenditures

New Capital Expenditures will be identified and booked at the end of the first fiscal year of the capitalization schedule.

The following hierarchy shall be followed for capital expenditures:

- Capital expenditures less than or equal to \$5,000 shall be authorized by the Chief Operating Officer.
- Capital expenditures \$5,001 - \$25,000 shall be authorized by the Chief Executive Officer.
- Capital expenditures \$25,001 to \$100,000 shall be made by recommendation by the Chief Executive Officer and by approval of the Executive Committee of the Board of Directors.
- Capital expenditures greater than \$100,000 shall require the approval of the full Board of Directors, utilizing normal rules of majority vote of quorum.

Depreciation

The depreciation policy of Alpha Kappa Psi Professional Business Fraternity shall be as follows:

- Office equipment, computer equipment, systems related technology and other items with a value exceeding \$1,500 may be depreciated. In no case shall a depreciation period may not exceed 10 years.
- Depreciation on buildings and improvements may not exceed 30 years.
- Depreciation shall be done at $\frac{1}{2}$ of 1 year for the first year and the remainder divided equally along the remaining years of the depreciation.

Depreciation on office, computer, networking, and facility-related equipment will be decided on a case-by-case basis, with the number of years to be decided by the CEO with guidance by the Treasurer.

Expense Approval

Expense Approval is defined as reviewing the relevant documents requesting payment and giving approval for the release of funds. Staff members and volunteers must sign and submit the standard expense reimbursement form to request payment. Vendors must submit an invoice with all relevant information to request payment. For expense

reimbursement and vendor payments, the following hierarchy will be followed for approval (sign off) of one-time payments:

- Staff Directors: \$0 - \$1,000
- Chief Operating Officer: \$1,001 - \$5,000
- Chief Executive Officer: \$5,001 - \$25,000
- Chair of the Board of Directors: \$25,001 - \$200,000
- Board of Directors: \$200,000+

Staff Directors authority to approve expenses applies to their area of responsibility only.

Check Signing Authority (Release of Funds)

The Chief Executive Officer will approve the release of funds for all one-time payments less than or equal to \$25,000. This includes payments made by check, ACH, or any other payment method. The Chair of the Board of Directors will approve the release of funds for any one-time payment over \$25,000. The CEO will hand sign all paper checks.

In addition, the CEO will notify the Chair of the Board of Directors and the Fraternity Treasurer of any vendor that may be exceed \$100,000 within a single fiscal year, even if each single payment to the vendor does not exceed \$25,000.

The Fraternity Treasurer will receive copies of bank statements and check registries on a monthly basis.

Financial policy – CEO compensation

The Executive Committee of the Board of Directors shall be responsible for determining the compensation package of the CEO. Total compensation could include, but is not limited to, base salary, bonus, fringe benefits, and deferred compensation. At least every five years the Executive Committee shall perform a compensation study using external market data. Compensation paid must fall within the IRS requirements. All documentation of decisions made by the Executive Committee shall be filed with the chief accounting officer of the Fraternity and maintained within the requirements of the document retention policy.

Financial Policy – Chapter Accounts

It shall be the policy of Alpha Kappa Psi Fraternity that all student chapters be held liable for all merchandise or miscellaneous goods or services purchased by any recognized chapter officer. Every chapter shall also be held jointly liable, with any student member, for the registration fees to any Fraternity event.

Financial Policy – Collection of Membership Dues, Fees and Forms

The Chief Executive Officer, Chief Operating Officer and the Fraternity Officers shall formulate an administrative policy for the collection of membership dues, fees and forms.

Financial Policy – Currency

In order to provide a fair and equitable payment policy, all payments to Alpha Kappa Psi Professional Business Fraternity shall be remitted in US currency, drawn on a US bank.

Financial Policy – Exchange Rate for International Student Chapters

The Chief Executive Officer shall set exchange rates for student chapters located outside the United States twice each year to provide for financial stability in international student chapters.

Financial Policy – Expense Reimbursement

- Expenses for any given fiscal year may not exceed the budgeted line item. Expenses submitted after an approved budget line item has been reached will be returned to the individual UNPAID.
- All expenses for a given fiscal year must be turned in by the fifteenth day of the month following the close of the fiscal year. Expenses received after that date will be returned UNPAID.
- All items over \$10.00 must be accompanied by a receipt.
- Expenses must be submitted on an approved expense form provided by Heritage Center.
- Expenses received by Wednesday of a week will usually be mailed on Friday of the same week, cash available.
- Mileage will be reimbursed at a rate to be determined as outlined in the "**Fiscal Policy – Mileage Reimbursement.**"
- Expenses must be submitted within 60 days of incurring them if reimbursement is expected.
- Expenses under \$20 will not be reimbursed until the total expenses owed to the individual exceed \$20, or the expenses were incurred more than 30 day earlier. This does not prevent any volunteer from being reimbursed.

Financial Policy – Interim Budget Adjustments

Once the Board of Directors has approved the annual operating budget of the fraternity, subsequent changes to that budget shall require approval as follows:

- Program changes (additions, deletions, or modifications) shall be approved only by the Board of Directors.
- Non-Program changes (plus or minus), whether singular or cumulative, to total revenue or total expenses, or any of the major revenue and expense categories shall require approval as follows:
 1. Up to ten percent - Chief Executive Officer
 2. Over ten percent - Board of Directors

Financial Policy – Investment Income

Moneys, corpus, and interest derived from the investments of the fraternity shall be set aside for educational, charitable, and scientific purposes as defined in Section 512(a)(3)(b) of the Internal Revenue Code of 1986, as amended.

Financial Policy – Investment Policy

The guidelines that follow are dynamic in nature, meaning that they should be capable of growth and change. They represent the current consensus of the Board of Directors' philosophy on the investment of funds. This statement should be reviewed on an annual basis to assure that it continues to reflect the Board's attitudes.

Financial Policy – Investment Policy Purpose

This policy will provide:

- The general responsibilities of the Board of Directors and the investment manager,
- The philosophy to be followed in management of the fund,
- Investment performance guidelines and objectives,
- The basis for evaluating investment results, both in objective and subjective terms, and
- Criteria for evaluation of the current investment manager and the basis for selection of possible alternative investment managers in the future.

Responsibilities

Responsibilities for the Board of Directors of Alpha Kappa Psi

The ultimate responsibility for the satisfactory investment performance rests with the Board of Directors of Alpha Kappa Psi Fraternity. This responsibility is best exercised by managing the investment manager rather than being the investment manager.

The expertise involved in the determination of investment strategy and security selection must lie with the manager and not with the Board. The Board of Directors will best exercise its responsibilities by:

- Setting guidelines and objectives as stated herein,
- Selecting qualified managers,
- Communicating closely with those responsible for investment results,
- Monitoring performance to ensure that policy guidelines are adhered to and objectives are being met, and
- Taking appropriate action if objectives are not being met.

The Board of Directors may form an Investment Committee to assist in the performance of the above-outlined duties.

Responsibilities of the investment manager

The assets are to be managed in accordance with the objectives and guidelines expressed herein. The investment manager is charged with optimizing the investment return within these guidelines. A manager is defined as:

- A company whose sole purpose is to act as an independent money manager,
- A trust department or division of a commercial bank,
- A mutual fund as defined by the Investment Co. Act of 1940, or
- A registered brokerage firm.

Statement of Philosophy

General Philosophy

Assets of this plan shall be invested primarily for capital appreciation with a secondary objective of current income. However, the Board places an overriding emphasis on capital preservation to ensure the portfolio value is protected in declining markets. These assets are to be invested for the greatest total return within the fraternity's philosophy. The need for cash reserves should not be the criteria in determining the overall asset allocation of the portfolio since there should not be unexpected liquidity needs.

Diversification

It is expected that the investment manager will diversify the investment of the fund to minimize the risk of large losses. The fraternity expects to be invested in a wide range of equities and fixed income securities and cash or money market funds in proportions to be determined by the investment manager within the parameters set forth by the Board of Directors. The portfolio should be further diversified by market capitalization as well as by style of investing (i.e., growth vs. value).

Attitude toward Risk

The fraternity recognizes that risk and potential for volatility of asset values are always present with all types of investment vehicles. Extreme levels of risk are to be avoided in all asset classes. The level of risk should be proportionate with achieved returns over a trailing 3-year period.

Asset Allocation

It is expected that the manager balance the portfolio between equities, fixed income, and cash instruments, depending on market conditions to achieve the fraternity's expected returns over time. Although the fraternity has no set allocation, the Board of Directors expects the manager maintain appropriate levels relative to a rising or falling market. At least 20% of the portfolio must be invested in fixed-income securities, and at least 20% of the portfolio must be invested in equity securities.

Secondary consideration is given to the risk of loss of opportunity (that is, being invested in cash reserves during a rising market) over market volatility loss (that is, being invested too heavily in assets that can fluctuate widely during declining markets). The portfolio should be

structured so that during a favorable investment environment, growth of asset value is optimized.

It is equally important that the investment manager be responsive and adaptable to changing conditions that may arise in an unfavorable investing environment. During these times, it is imperative that the investment manager changes the asset allocation of the portfolio (fixed vs. equity, growth vs. value) in order to minimize the effect of declining securities and maximize preservation of capital (i.e., defensive posture).

Investment Guidelines for the Equity Portfolio

Diversification

The stocks held in the equity portfolio should be adequately diversified to avoid large losses in individual positions that will adversely impact the asset value of the equity portfolio. The investment manager should be able to select securities from a variety of better performing industries. Individual securities shall not comprise more than five percent of the equity portion of the portfolio. Any one industry or sector shall not comprise more than twenty percent of the equity portion of the portfolio.

The Board recognizes the value in diversifying among styles such as value and growth. It would be expected the portfolio manager would always have some exposure to each. At least 27% of the equity allocation must be placed with a "growth" manager and at least 27% of the equity allocation must be placed with a "value" manager. With this method it is understood that the manager will at various times, need to have cash in the portfolio available for the correct time to invest. This will allow for easier monitoring of growth and value minimums. The portfolio manager may utilize an Exchange Traded Fund (ETF) as a substitute for value, growth, industry, or sector stock exposure.

Investment Universe

Equity investments and fixed income investments are limited to securities listed on the recognized domestic and foreign exchanges.

Investments can include domestic and foreign stocks, bonds, preferred stocks, warrants, ETFs (Exchange Traded Funds) closed- and open-end mutual funds, cash and cash equivalents, REITs (Real Estate Investment Trusts), and Commodity Trusts or Commodity funds, Private Equity Funds, and Hedge Funds or Managed Futures. Hedge Funds are limited to the fund of funds approach. It is expected that the list of acceptable investment choices will expand in the future – as more options become available as the investment portfolio grows. Private Equity and Hedge Fund investments are exempt from the requirement regarding the listing of investments on recognized domestic and foreign stock exchanges.

Diversification and Alternative Investments

When utilized, Commodities, Private Equity, and Hedge Funds each shall not exceed more than 20% of the portfolio in the aggregate at the time an investment is purchased.

Investment Guidelines for the Fixed Income Portfolio

General Guidelines

The Board of Directors feels that it is important for fixed income securities to be represented within the portfolio to provide stability, income, and an attractive alternative to equity investments. It is anticipated that the investment manager will actively manage the fixed income portfolio by trading in anticipation of interest rate changes, yield spread differentials, and arbitrage opportunities and will utilize any other prudent trading strategies that capitalize on value discrepancies in bond prices. The average rating of all fixed income securities shall be rated BAA/BBB or above ("investment grade") by Moody's or Standard & Poor's. The portfolio manager may utilize an Exchange Traded Fund (ETF) as a substitute for fixed income securities.

Quality Criteria

The average quality of the bond portfolio should have an average rating equal to investment quality as rated by Moody's or Standard & Poor's. The fraternity believes that the additional risk incurred by investing in some lower quality bonds is commensurate with the incremental gain in return.

Diversification

Diversification in the fixed income portfolio is not of the same degree of concern as in the equity portfolio. Maturity decisions will be made by the investment manager. Adherence to the quality guidelines and recognition of marketability characteristics will provide sufficient diversification to be deemed prudent. Except for US Government and Government Agency securities, individual securities and/or securities by the same issuer shall not comprise more than twenty percent of the fixed-income portion of the portfolio.

Investment Objectives

The investment goal is to provide for capital appreciation with a secondary objective of current income. The intent is to achieve a rate of return in excess of the Standard & Poor's 500 Index for the equity portion of the portfolio and a rate of return in excess of the applicable fixed-income index over a trailing 3-year period of return. Rate of return goals will be reviewed on an annual basis. Due to constantly evolving market conditions, these reviews will be supplemented by comparison to broad market indices, measures of inflation, and the performance of other investment managers. The performance will be reviewed quarterly and evaluated on an ongoing basis by the Investment Committee.

Criteria for Selecting and Evaluating Investment Manager

In selecting an investment manager the Board of Directors will evaluate no less than three prospective candidates. Criteria used to select the investment manager shall include historical record, investment style, organization, capabilities, investment philosophy and processes. Additionally, while not an absolute criteria, preference should be given to managers that have previous experience with non-profit organizations.

Relative to ongoing evaluation of the investment manager, the Board of Directors desires above-median performance for time periods of three years and longer when compared to manager peer groups (other balanced account managers). The one-year performance is important but does not carry the same significance as the three and five-year average return figures.

The Board of Directors expects the investment manager to add value for the amount of risk taken. This should result in a positive risk-adjusted rate of return. If the Board feels that the investment objectives set forth in this policy are not being met, the Board of Directors reserves the right to change or replace the investment manager at any time.

Financial Policy – Membership Clearance Reporting

All active chapters will be invoiced for Student Member Dues the first business day of September and January, and the invoice will reflect the current chapter roster at the Heritage Center as of the date billed. Any member listed on a chapter roster who is not active for the semester can be removed by submitting the membership report to the Heritage Center. All roster removals must be received by November 1st for the fall semester, and March 1st for the spring semester in order to receive credit for dues billed.

Financial Policy – Membership Record Reporting

If the proper paperwork and payment for Pledge Fees & Initiations are not received at the Heritage Center within 30 days of the respective ceremony, the chapter will be assessed the greater of a \$25.00 fine or 5% of the total fees.

Financial Policy – Mileage Reimbursement

The mileage reimbursement policy shall be set for staff and volunteer rates from time to time by the Chief Executive Officer and the Chairman of the Board. These rates shall be reviewed as fuel prices dictate and may be changed at any time.

Financial Policy – Outstanding Checks

After a six (6) month period of time, any check issued by the fraternity and not presented for payment shall be void.

Financial Policy – Outside Professional Services

Since they bind the organization to certain obligations, financial and otherwise, all contracts for the organization must be signed by the Chief Executive Officer. Vendors providing professional services (such as, but not limited to, legal consultation, accounting services, meeting planning, and strategic planning) may be approved for contracting in accordance with the following schedule:

- Chief Executive Officer – \$0 to \$100,000
- Executive Committee - \$100,001 - \$250,000
- Board of Directors - \$250,000+

Financial Policy – Policy on Public Disclosure

It is the policy of Alpha Kappa Psi Fraternity, Inc. to comply with all laws regarding the public disclosure of IRS forms 990 and other public forms. Anyone interested in obtaining a copy of these forms should contact the Heritage Center of Alpha Kappa Psi located at 7801 E. 88th Street, Indianapolis, IN 46256. A copy will be made upon request. Copy charges may apply.

Financial Policy – Purchasing

Purchases for the fraternity will be made by competitive bids on all items that exceed \$25,00.

Financial Policy – Reserves

It shall be the objective of the Board of Directors of Alpha Kappa Psi Professional Business Fraternity to hold investments in amounts equal to no less than six (6) months operating expenses based on the current operating budget of the fraternity.

Financial Policy – Volunteer Purchase Orders

Any regional expense with a cumulative total between \$500 - \$999 must be approved by the Area Vice President who oversees the region. Any regional expenses with a cumulative total in excess of \$1,000 must be approved in advance by the Fraternity President and the Chief Operating Officer. A purchase order should accompany any such request in advance of the expenditure with an explanation of the amounts, expected outcomes and purpose of the expenditure.

Fraternal Policies and Procedures

Responsibilities

1. Per the *Constitution*, the body assembled at Alpha Kappa Psi's Chapter Congress Business Meetings has the broadest authority to set and change policies. Typically, this body sets general, broad-based policies for the fraternity. This is the only forum in which *Constitution* or *Statutory Code* amendments may be made.
2. Policies set by the body assembled at the Chapter Congress Meeting cannot be ignored by action or inaction of the Board of Directors, Executive Committee, MT, RMT members, the elected executive officers, or the Heritage Center staff. Because of the infrequency of the Chapter Congress Meeting, the Board of Directors may, by a vote of its members, elect to change a non-Constitutional or non-Statutory Code policy previously set at a Chapter Congress Meeting. This is an application of the delegation of authority principle. The Board of Directors may not delegate authority to the Executive Committee or Management Team to change or repeal policies set by the body assembled at the Chapter Congress Meeting, i.e. there may be no double delegation of authority.
3. The next level of policy authority is the Fraternity Board of Directors. This body makes both major and minor policy decisions. Policies set by the Board cannot be repealed, ignored or changed by action or inaction of the Executive Committee, the MT, RMT or the Heritage Center staff. Action of the Board of Directors or the body assembled at the Chapter Congress Meeting is necessary to change policies set by the Board.

4. The Executive Committee (EC) possesses the next level of authority to set policies and/or call for a vote of the full Board of Directors, i.e. the EC has emergency authority. The EC cannot (except in the case of emergencies) ignore, change, or repeal policies created by the body assembled at the Chapter Congress Meeting or the Board of Directors. Policies set by the EC cannot be ignored, changed or repealed by action or inaction of the MT, RMT members, or the Heritage Center staff. Action of the EC, the Board of Directors, or the body assembled at the Chapter Congress Meeting is necessary to change or repeal policies set by the EC.
5. The Management Team (collectively), elected executive officers (President and Executive Vice President) or Board officers (Chairman, Chair-Elect, Immediate Past Chair, Secretary, and Treasurer) individually possess the next level of authority to set policy. The policies set by each officer should be those necessary to conduct the duties of the officer's office. Action of the President, EC, Board of Directors, or the body assembled at the Chapter Congress Meeting may change or repeal policies set by the President. Action of the Vice President (who set the policy), President, EC, Board of Directors, or the body assembled at the Chapter Congress Meeting may change or repeal policies set by a Vice President. Action of the Chairman of the Board, EC, Board of Directors, or the body assembled at the Chapter Congress Meeting may change or repeal policies set by the Chairman. Action of the Board Officer (who set the policy), Chairman, EC, Board of Directors or the body assembled at the Chapter Congress Meeting may change or repeal policies set by a Board Officer.
6. Policies set by the body assembled at the Chapter Congress Meeting, the Board of Directors, the Executive Committee, and individual elected executive officers remain in force until changed or repealed by the appropriate body or individual. Furthermore, the right to set, change or repeal policy, by an individual executive officer, or a member of one of the aforementioned bodies, ends with the individual's term of office.
7. Policies set by any entity or individual deemed by the fraternity's legal counsel to be inconsistent with applicable non-profit (or general) law shall be deemed null and void with no further action required.

NOTE: Insurance liability policies may reimburse the fraternity for any occurring losses in the ordinary course of operation, but where gross negligence, active fraud, equitable fraud, legal fraud, concealment, or embezzlement are involved, individual liability will attach without coverage under most liability policies.

Procedure

Charges of violation of this "policy on policies" must be made in writing to the Executive Committee of the Board of Directors. Correspondence may be addressed to the Executive Committee via the Heritage Center, or to each individual EC member at their address. This written statement will be confidential concerning the nature of the conduct underlying his or her claim, although the fact that a claim of policy violation has been made will NOT be held in confidence.

In instances where a member of the Executive Committee is charged with violation, the member making the claim must advise the Chief Executive Officer of same, and request that the policy violation be investigated by the two remaining members of the Executive Committee plus one additional Board of Directors member.

The primary steps in the investigation process are:

1. The investigating committee will meet (in person or by telephone) with the complaining or reporting member; provide assurances that the investigation will remain confidential insofar as possible; and gather information relating to possible witnesses or documentation pertinent to the charges.
2. The reporting member will be encouraged to reveal the names of any witnesses, and any witnesses named or otherwise revealed during the investigation will be questioned on a confidential basis.
3. The person or persons accused of the violation will be confidentially questioned and will be asked to make a written statement of his or her position regarding the specifics of the complaint.
4. The reporting or complaining member may be interviewed one or more additional times so that he or she has a full opportunity to comment on facts and circumstances found during the investigation.
5. The investigating committee will make a confidential determination of the facts, whether or not a policy violation has occurred, and what corrective action including disciplinary measures may be taken. It is possible that this action will be dictated by the *Constitution*, and an opinion of the Constitution Committee may be sought.
6. A summary statement of the complaint; a description of action taken to complete the investigation; and the recommendation of the investigating committee will be forwarded to the Board of Directors for action. All Board members will be admonished about the need to maintain absolute confidentiality in the future surrounding the investigation and his or her knowledge of the facts and the results.

Summary

It is anticipated that few complaints of violation of this policy will be received. It is also recognized that in some cases it will not be possible to determine whether, in fact, a violation has taken place, or if any real harm has been done to the organization or the brotherhood as a result, which would necessitate disciplinary action.

It is the intent of Alpha Kappa Psi to be reasonably responsive to any member who has an honest perception that this policy has been violated to the detriment of the complainant and/or the brotherhood.

Fraternity Advisors – Attendance at the Fraternity Advisor Conference

All fraternity advisors shall attend the Fraternity Advisor Conference once every four years unless the regional director and director of education certify that all training requirements have been met. If an advisor fails to meet the above policy, the advisor may face sanctions up to and including removal from office.

Fraternity Anniversaries

Each chapter of the fraternity shall observe May 20, the anniversary of the incorporation of Alpha Kappa Psi Fraternity, and October 5, the anniversary of the founding of the fraternity, with appropriate exercises.

Initiation Fee Waiver Policy

It shall be the policy of the Board of Directors to:

1. Waive one Faculty Member initiation fee per student chapter per fiscal year.
2. Waive one Honorary Member initiation fee per student chapter per fiscal year.

Installation of a Chapter

In order for a group to be chartered as a college chapter of Alpha Kappa Psi Fraternity, there must be a minimum of 40 student members, of which 20 student members must return the following term. A colony must complete and submit a New Chapter Success Plan, have \$400 in operating funds on hand, and have submitted a completed petition and paid all colony/pledge/initiation/installation fees at least 45 days prior to the installation date. If any of these items are not met, the Installing Officer may suspend the *Installation Ceremony* if the requisite number of student members is not present.

Insurance Premium Policy

The Fraternity Board of Directors shall set the amount a chapter pays per member for insurance premiums. The number of members of the chapter, for the purposes of insurance premiums, shall be the number of paid members on file at the Heritage Center on June 30th of each year.

Should a chapter be found in violation of the *Constitution, Statutory Code, or Board Statement of Policy* regarding alcohol or hazing, the Chief Executive Officer, at his/her discretion, may increase the rate of premiums for up to three years by not more than 4 times the set amount.

Chapters found in violation of other parts of the *Constitution, Statutory Code, or Board Statement of Policy* may also be assessed additional insurance premiums if the circumstances warrant this fee adjustment in the determination of the CEO.

Leave of Absence Policy

In order for a student to take a "Leave of Absence" while still enrolled in the College Chapter, the student must first submit a written application to the chapter executive committee for approval. The application will then be forwarded on to the regional director for final approval.

"Leave of Absence" expires at the end of each academic term. A member can extend their "Leave of Absence" for an additional academic term provided they meet the criteria identified in Article II Section 2B of the *Constitution*.

Logo Policy

Use of Alpha Kappa Psi's distinctive corporate logo, Coat of Arms, Greek letters and other trademarks are a benefit of membership. Members are encouraged to promote

memberships in the fraternity and what it stands for by using the images on forms, business cards, stationary and in its advertisements.

The corporate logo, Coat of Arms, Greek letters and other trademarks are the property of Alpha Kappa Psi and are protected by state and federal laws. Uses of these are contingent upon a member's agreement to the following licensing provisions.

- 1) The corporate logo, Coat of Arms, Greek letters and other trademarks are the property of Alpha Kappa Psi;
- 2) Members in good standing may use the corporate logo, Coat of Arms, Greek letters and other trademarks on stationary and in advertising to indicate membership;
- 3) Members may not use the corporate logo, Coat of Arms, Greek letters and other trademarks to imply that the fraternity has endorsed their company or their company's products or services;
- 4) Members will indemnify and hold the fraternity harmless for any damages, including attorney's fees, incurred by the member as a result of use of the logo;
- 5) Members agree to cease using the corporate logo, Coat of Arms, Greek letters and other trademarks upon the request of the board of directors or staff;
- 6) Members agree to pay the organization for all costs and attorney's fees incurred by the fraternity in any action against a member to enforce the terms of the license agreement; and
- 7) Members agree not to use the corporate logo, Coat of Arms, Greek letters and other trademarks to finance, endorse nor oppose or lend our name to any outside enterprise.

The exception to this policy is that non-initiated pledges and colonists may use the corporate logo, Coat of Arms, Greek letters and other trademarks to show their affiliation with Alpha Kappa Psi while also abiding by the provisions listed above for members.

Mail Ballot Policy

Board of Directors Mail Ballots

The Chairman of the Board shall authorize all Board of Directors mail ballots and shall determine the appropriateness of the question and approve the final wording of the text of the question to be printed on the ballot. The Chief Executive Officer shall manage the process of balloting and report the results to all members of the Board of Directors. Policies may be decided by mail ballot unless 1/3 of the Board objects.

Procedures and Verification

- 1) The Heritage Center shall mail the mail ballot, together with any supporting documentation, explanations, rationale or other information pertinent to the issue, to all Board Members.
- 2) Ballots shall be sent by First Class mail. Should any Member of the Board of Directors encounter difficulty with mail delivery as a routine problem, they may request that all mail ballots be delivered by other means. Staff is authorized to distribute ballots, under these circumstances and by request, via the least costly delivery service (U.P.S., Federal Express, etc.) determined to be acceptable to the Board Member.

- 3) Ballots shall be mailed, faxed or transmitted via electronic mail by Board Members by the due date specified on the ballot. Board Members wishing verification that Heritage Center has received their ballots may enclose a request with their mail ballot, or may call the Heritage Center for confirmation.
- 4) Ballots shall be mailed by Heritage Center at least ten (10) business days prior to the due date for the vote to be cast. The due date is the latest date that a ballot may be postmarked for return to Heritage Center or received via fax or email. The results of a mail ballot indicating the number of votes in each voting category and a summary of all comments that voters may have included on the ballots shall be sent to all Board Members at the time of the next mailing of any materials from Heritage Center, or in a special mailing. Distribution of mail ballot results to Board Members must be accomplished within thirty (30) days of the ballot due date.
- 5) Voting Ballots shall have the following alternatives for voting:
 - i) Approve ballot
 - ii) Disapprove ballot
 - iii) Abstain from vote
- 6) Should any Board Member feel that additional information or discussion is required, he or she may call the Heritage Center or the appropriate Board Member, MT Member or other member. Should insufficient information be available, the Board Member may call the Executive Committee or Heritage Center to request that the Mail Ballot be postponed until the issue may be discussed in a conference call, or until more information is gathered. The Chairman may make a determination, based upon the number of requests to declare a mail ballot null and the rationale for additional information, to call the Heritage Center and withdraw the mail ballot.
- 7) Should three Board Members request the withdrawal/postponement of any particular motion, it shall automatically be granted by the Chairman.
- 8) Ballots, bearing a sequential ballot number, on a given matter shall be reissued with appropriate rationale accompanying the reissued ballot if substantive typographical or logical errors have occurred on either the ballot or the supporting documents. This decision may be made by the Chief Executive Officer or his/her designee.
- 9) Board Members may change their vote up to the due date, but not after, unless procedural irregularities have occurred. Written verification of the new vote must be sent to Heritage Center by the due date. A telephone call changing the vote by the due date, with written confirmation postmarked no later than two (2) working days after the due date, shall be considered a valid change of vote. This procedure is NOT available for the initial casting of a vote, but only for changes in votes. Proxy voting is not permitted in the mail ballot process.
- 10) A quorum shall be established by the act of mailing the ballots to the Board Members. Any mail ballot not received by the Heritage Center by the due date (subject to the above conditions) shall be counted as an abstention.

Summary:

It is anticipated that no complaints of violation of this policy will be received. Any Member of the Board of Directors may bring any irregularities to the attention of the Chairman, the Executive Committee or to the Board of Directors.

Management Team Mail Ballots

The fraternity president shall authorize all Management Team mail ballots and shall determine the appropriateness of the question and approve the final wording of the text of the question to be printed on the ballot. The Chief Executive Officer shall manage the process of balloting and report the results to all members of the Management Team. Items may be decided by mail ballot unless 1/3 of the Fraternity Management Team objects.

Procedures and Verification

- 1) The Heritage Center shall mail the mail ballot, together with any supporting documentation, explanations, rationale or other information pertinent to the issue, to all Management Team Members.
- 2) Ballots shall be sent by First Class mail. Should any Member of the MT encounter difficulty with mail delivery as a routine problem, they may request that all mail ballots be delivered by other means. Staff is authorized to distribute ballots, under these circumstances and by request, via the least costly delivery service (U.P.S., Federal Express, etc.) determined to be acceptable to the MT Member.
- 3) Ballots shall be mailed, faxed or transmitted via electronic mail by MT Members by the due date specified on the ballot. MT Members wishing verification that the Heritage Center has received their ballots may enclose a request with their mail ballot, or may call the Heritage Center for confirmation.
- 4) Ballots shall be mailed by Heritage Center at least ten (10) business days prior to the due date for the vote to be cast. The due date is the latest date that a ballot may be postmarked for return to Heritage Center or received via fax or email. The results of a mail ballot indicating the number of votes in each voting category and a summary of all comments that voters may have included on the ballots shall be sent to all MT Members at the time of the next mailing of any materials from Heritage Center, or in a special mailing. Distribution of mail ballot results to MT Members must be accomplished within thirty (30) days of the ballot due date.
- 5) Voting Ballots shall have the following alternatives for voting:
 - i) Approve ballot
 - ii) Disapprove ballot
 - iii) Abstain from voting
- 6) Should any MT Member feel that additional information or discussion is required, he or she may call the Heritage Center or the appropriate Board Member, MT Member or other member. Should insufficient information be available, the MT Member may call the Executive Committee or Heritage Center to request that the Mail Ballot be postponed until the issue may be discussed in a conference call, or until more information is gathered. The President may make a determination, based upon the number of requests to declare a mail ballot null and the rationale for additional information, to call the Heritage Center and withdraw the mail ballot.
- 7) Should three MT Members request the withdrawal/postponement of any particular motion, it shall automatically be granted by the President.
- 8) Ballots, bearing a sequential ballot number, on a given matter shall be reissued with appropriate rationale accompanying the reissued ballot if substantive typographical or logical errors have occurred on either the ballot or the supporting documents. This decision may be made by the Chief Executive Officer or his/her designee.

- 9) MT Members may change their vote up to the due date, but not after, unless procedural irregularities have occurred. Written verification of the new vote must be sent to Heritage Center by the due date. A telephone call changing the vote by the due date, with written confirmation postmarked no later than two (2) working days after the due date, shall be considered a valid change of vote. This procedure is NOT available for the initial casting of a vote, but only for changes in votes. Proxy voting is not permitted in the mail ballot process.
- 10) A quorum shall be established by the act of mailing the ballots to the MT Members. Any mail ballot not received by the Heritage Center by the due date (subject to the above conditions) shall be counted as an abstention.

Summary:

It is anticipated that no complaints of violation of this policy will be received. Any Member of the Management Team may bring any irregularities to the attention of the President, the Executive Committee or to the entire MT.

Official Seal, Badge and Logo

Reproduction of the Official Seal, Coat-of-Arms, Badge, Membership Button, Official Logo, and other membership paraphernalia may be used only by the fraternity itself and by its affiliated Chapters on official materials such as programs, letterheads, and publications. Non-members or individuals of organizations outside the fraternity may not use reproductions of the seal, et al on commercial materials without the permission of the Board of Directors.

Personal Liability of Officers and Directors

Every Director, Officer, or employee of the fraternity, shall be indemnified by the fraternity against all expenses and liabilities, including counsel fees, reasonably incurred and imposed upon him/her in connection with any proceeding to which he/she may be made a party arising out of his/her being or having been a Director, Officer, or employee of the fraternity, but only while performing duties related to the conduct of the Fraternity's business and only while in compliance with Risk Management Policies of the Fraternity. This includes any settlement thereof, whether or not he/she is a Director, Officer, or employee at the time such expenses are incurred, except in such cases wherein the Director, Officer, or employee is adjudicated "in violation of" of willful misfeasance or malfeasance in the performance of his/her duties.

The following resolution was revised on December 1, 2015, from the original resolution which was adopted by the Board of Directors of Alpha Kappa Psi Professional Business Fraternity at its August 17, 1993 meeting in Nashville, Tennessee:

RESOLVED, that the Officers of the fraternity shall be further defined, in accordance with the *Constitution* and *Statutory Code*, to include those individuals known as Vice Presidents, Regional Directors, Chapter Advisors, Section Directors, Regional Managers, and Chapter Advisory Board (CAB) members. Regional Managers and CAB members may be appointed for the functional areas: Chapter Success Plan, Finance, Professional Programming, Recruitment, Risk Management, and other areas vetted through the CEO and President. All appointments must be reported to the Heritage Center and are afforded rights and privileges as may, from time to time, be specified by the Board of Directors, except in such cases wherein the Director,

officer, or employee is found to have acted in willful violation of fraternity policy or has acted with willful or reckless malfeasance in the performance of their duties.

Policy Amendment: Notification

Prior to the amendment or establishment of a policy which affects day-to-day volunteer management of the fraternity (such as volunteer expense reimbursement rates or applicability, regional budgeting, chapter suspension/probation, chapter level programs, etc.), time permitting, the Board of Directors shall endeavor to notify Management Team members of the impending policy vote and solicit comment. This notification process is designed to keep MT members informed, solicit constructive ideas, and result in the establishment of better policies.

Constructive comments or questions regarding the policy should be directed to the Chairman of the Board (unless otherwise indicated in the notification transmittal) by the date specified in the notification transmittal.

Policy Change Recommendations: Reporting to Board of Directors

In the event the Management Team Members (collectively or individually), a standing committee or ad hoc committee task force, or paid staff member makes a report to the Board of Directors, the following must be included:

1. A recommendation request for action...OR a statement that the report is for Board edification only and no action is requested/required;
2. A brief history of the scope of prior distribution; e.g., "This report was created by and circulated among committee members only." or "Comments were sought/received from the following group/groups _____ [the MT/the Chief Executive Officer/X # of Members, etc.] via the following method _____ [three conference calls, individual telephone calls, email, etc.]. The results of the solicited comments were [incorporated herein or consistent with the recommendations, as most were constructive and non-controversial OR varied; i.e., a significant number of the members of the solicited group may be opposed to the policy/program or the recommendations of this report]."
3. Please include a more elaborate explanation depending upon the complexity of the issue or the variability of the comments expressed.
4. If revenue-generation or expenses are anticipated, the budget (and sufficient detail to understand the strength of any revenue/cost estimates) should be included.

Record Retention Schedule for Alpha Kappa Psi

Document	Retention Period	Document	Retention Period
Accident reports/claims (settled cases)	7 years	Insurance policies (expired)	3 years
Accounts payable ledgers & schedules	7 years	Insurance records, accident reports, claims, policies, etc.	Permanently
Accounts receivable ledgers & schedules	8 years	Internal audit reports (miscellaneous)	3 years
Audit reports	Permanently	Inventory records	7 years
Bank statements	3 years	Invoices to customers or from vendors	7 years
Capital stock & bond records	Permanently	IRA/Keogh plan contributions, rollovers, transfers & distributions	Permanently
Cash books	Permanently	Minutes of board of directors, stockholders, bylaws and charters	Permanently
Charts of accounts	Permanently	Payroll records, summaries & tax returns	7 years
Checks (canceled checks for important payments, special contracts, purchase of assets, payment of taxes, etc. Checks should be filed with papers pertaining to the underlying transaction.)	Permanently	Petty cash vouchers	3 years
Checks (canceled except those noted above)	7 years	Purchase orders	3 years
Contracts & leases (expired)	7 years	Receiving sheets	1 year
Correspondence, general	2 years	Retirement plan records	Permanently
Correspondence (legal and tax related)	Permanently	Safety records	6 years
Deeds, mortgages & bills of sale	Permanently	Sales records	7 years
Deposit slips	3 years	Subsidiary ledgers	7 years
Depreciation schedules	Permanently	Tax returns, revenue agents' reports & other documents relating to determination of income tax liability	Permanently
Employee personnel records (after termination)	7 years	Time cards and daily reports	7 years
Employee applications	3 years	Trademark registration, patents & copyrights	Permanently
Expense Reports	7 years	Trial balances (monthly)	3 years
Financial Statements (year-end)	Permanently	W-2 Forms	7 years
General ledgers, year-end trial balance	Permanently		

Reinstatement of Chapters Suspended for Financial Reasons

1. The following policy outlines the procedures for reinstating a Chapter that was previously suspended for financial reasons:
2. The Board of Directors may reinstate a Chapter by mail ballot or by vote at a Board Meeting.
3. A suspended Chapter must petition for reinstatement to the Board of Directors.
4. The petition must include the following items:
 - A. Reasons the Chapter was suspended.
 - B. Steps the Chapter will take, and has already taken, to correct the reasons for the suspension.
 - C. A description of the agreement reached between the Chapter, the Regional Director, and the Executive President.
 - D. Positive letters of recommendation from the Regional Director and the Executive Vice President.
 - E. Signatures of the Chapter's Executive Committee, and Chapter Advisor.
5. Reinstated Chapters shall be placed on probation and reviewed at a Board meeting following reinstatement. The Regional Director shall be charged with the responsibility of monitoring the Chapter while on probation and must submit a written report to the Board outlining the Chapter's current situation and his/her opinion as to whether the probation should be lifted.
6. At its meeting, the Board may:
 - A. Accept the Regional Director's recommendations.
 - B. Take whatever action(s) it deems appropriate, i.e. continued probation, suspension or Charter revocation under the procedures allowable by fraternity Laws.

Reinstatement of Chapters Suspended for Non-Financial Reasons

The following policy outlines the recommended procedures for reinstating a Chapter that was previously suspended for non-financial reasons:

1. The Board of Directors may reinstate a Chapter by mail ballot or by vote at a Board Meeting.
2. A suspended Chapter must petition for reinstatement to the Board of Directors.
3. The petition must include the following items:
 - i. Reasons the Chapter was suspended.
 - ii. Steps the Chapter will take, and has already taken, to correct the reasons for the suspension.
 - iii. Positive letter of recommendation from the Regional Director.
 - iv. Signatures of the Chapter's Executive Committee, and Chapter Advisor.
4. Reinstated Chapters shall be placed on probation and reviewed at a Board meeting following reinstatement. The Regional Director shall be charged with the

responsibility of monitoring the Chapter while on probation and must submit a written report to the Board outlining the Chapter's current situation and his/her opinion as to whether the probation should be lifted.

5. At its meeting the Board may:
 - i. Accept the Regional Director's recommendations.
 - ii. Take whatever action(s) it deems appropriate, i.e. continued probation, suspension or Charter revocation under the procedures allowable by Fraternity Laws.

Reinstatement policy for graduated suspended members with no reinstatement terms

If a member with a status of suspended is no longer enrolled at a university which hosts a chapter of Alpha Kappa Psi and wishes to become an alumnus in good standing, a review of reinstatement terms shall be completed. If reinstatement terms do not exist, cannot be found or cannot be completed due to circumstances and logistics, a one-time donation of \$100 to the Alpha Kappa Psi Foundation will allow said member to be reinstated to an alumnus in good standing status.

Rights and Obligations – Probationary Chapters

Chapters placed on probation may be subject to any or all of the following conditions as directed by the Chief Executive Officer at the recommendation of the Management Team, Regional Director, or Judiciary Committee:

1. An alumni committee may be appointed to supervise and direct all activities of the Chapter with the capacity to take whatever action is necessary to bring the Chapter into conformity with the *Constitution* and the *Statutory Code*.
2. A temporary Chapter Advisor may be appointed to replace an ineffective Advisor until such time as a permanent Advisor may be located.
3. The Chapter may be required to conduct a goal setting retreat in conjunction with an alumni committee, representative of the College or University, an official representative of the President or any other individual appointed by the Regional Director.
4. The Chapter President may be required to meet with the College or University officials on a weekly basis for the purpose of following up on Chapter goals and objectives.
5. The Chapter President may be required to submit written monthly reports to the Regional Director. These reports shall be signed by the Chapter Advisor and/or Chairman of the alumni committee with copies to the Section Director.
6. A letter may be sent to the alumni of the Chapter by the Regional Director informing them of the status of the Chapter and seeking their support.
7. The Chapter funds may be frozen and disbursed only through written permission of the Regional Director.
8. The Chapter's Charter and Ritual equipment may be placed with an alumnus who is approved by the Regional Director.

9. The Regional Director may require the advance approval and payment for all members to be initiated. No initiations may be approved if the Chapter is in arrears in the payment of any moneys to the Heritage Center.
10. Credit with the Heritage Center may be suspended.
11. The Chapter may be required to have the majority of its members in attendance at a PBLI or other fraternity sponsored educational offering.
12. Any or all of the Officers of the Chapter may be removed from office permanently or temporarily, while the Chapter is on probation.
13. Violations of any conditions of probation may result in charges being levied against the Chapter for suspension or revocation of the Charter or monetary penalties not to exceed \$1,000 per violation.

The Chapter's progress, based on the conditions set forth, shall be monitored by the Regional Director and reported to the Board of Directors at each regularly scheduled meeting or as requested by the Board of Directors.

Rights of Membership

No Member in good standing shall be discriminated against by having the right to vote or hold office denied or abridged, except that Faculty Members, Chapter Advisors and Honorary Members shall not have the right to vote or hold office in a college chapter.

Risk Management – Alcohol and Drug Policy

All Members of Alpha Kappa Psi Fraternity shall abide by all applicable liquor control laws of the State or other jurisdiction including Colleges and Universities while participating in a Fraternity event.

Responsibilities

Although the leadership of the fraternity at any specific event, whether local, regional or organization-wide in scope, is responsible for promoting compliance with this policy, every brother of Alpha Kappa Psi is expected to assist in ensuring adherence to this policy.

In an effort to maintain and abide by this policy, members shall use the following guidelines:

1. The possession, use and/or consumption of alcoholic beverages while on chapter premises, during an official event, whether local, regional or organization-wide in scope, or in any situation sponsored or endorsed by the chapter or by the fraternity, must be in compliance with any and all applicable state, county, city and university laws or regulations.
2. No alcoholic beverages may be purchased using chapter, pledge class or fraternity funds; nor may any member, in the name of or on behalf of the chapter, coordinate the collection of or provide any funds for such a purpose. In addition, no chapter may co-sponsor or co-finance a function at which alcohol is purchased by any of the host chapters, groups or organizations.
3. No chapter may co-sponsor an event with a brewery, vineyard, distillery, alcohol distributor or tavern (tavern defined as an establishment generating more than half of annual gross sales from alcohol) at which alcohol is given away, sold or otherwise

provided to those present. This includes any event held in, at or on the property of a tavern as defined above for purposes of fundraising. This also includes earning funds from the sale of alcohol, wristbands, cups, etc. However, a chapter may rent or use a room or area in a tavern as defined above for a closed event held within the provisions of this policy, including the use of a third party vendor and guest list. An event at which alcohol is present may be conducted or co-sponsored with a charitable organization if the event is held within the provisions of this policy.

4. The possession, sale and/or use of any illegal drugs or controlled substances at any chapter house, fraternity sponsored event or at any event, that an observer would associate with the fraternity is strictly prohibited.
5. All recruitment activities associated with any chapter will be a dry function.
6. No alcohol shall be present at any pledge program.
7. When alcohol is served at fraternity events, one of the following options for conducting the event must be followed:
 - A. Service of alcohol on a no host, cash bar basis by a professional bartender, fully covered by liability insurance, is preferred;
 - B. A Bring Your Own Bottle (BYOB) event may be held at which only members, pledges, and invited guests of legal drinking age may bring and/or consume alcoholic beverages. The quantity of alcohol an individual may bring or possess at a BYOB event is defined as the amount a reasonable person could consume in one sitting.
8. Regardless of the option chosen, the following provisions shall apply:
 - A. No member or pledge, individually or collectively, shall purchase for, serve to, or sell alcoholic beverages to any minor (those under the legal drinking age);
 - B. Reasonable precautions will be taken by the chapter to prevent the excessive consumption of alcoholic beverages and to prevent the service of alcohol to underage persons by anyone;
 - C. Members and/or guests who arrive at an event in an intoxicated state shall not be admitted;
 - D. At each event, there shall be designated non-drinking members;
 - E. Non-alcoholic beverages shall be provided at each event;
 - F. The service of alcoholic beverages shall be cut off at a specific time, which shall be established and clearly published in advance of the event;
 - G. No "drinking games" shall be permitted.
 - H. The possession or use of a common source container at events or gatherings is strictly prohibited. Common source containers are generally defined as kegs, pony kegs, beer balls, trashcans, bathtubs, punch bowls, alcohol-infused fruit, or other similar device designed to store or mix alcohol in large quantities and intended for consumption by more than one individual.

Procedure

Charges of violation of this policy must be made in writing to the Chief Executive Officer with correspondence addressed to the recipient via the Heritage Center. To the extent possible, the written statement will be confidential concerning the nature of the conduct underlying his

or her claim, although the fact that a claim of policy violation has been made will NOT be held in confidence. The investigation may warrant that all information surrounding the complaint may need to be released. The Investigating Committee shall consist of members of the Judiciary Committee. In instances where a member of the Judiciary Committee is charged with violation, the accused shall be removed from the committee and a replacement will be appointed. The procedures outlined in the "**Disciplinary Procedures**" will be followed as appropriate.

Summary

It is the intent of Alpha Kappa Psi to be reasonably responsive to any member who has an honest perception that this policy has been violated to the detriment of the complainant and/or the brotherhood.

Risk Management – Fire and Health Safety Policy

All premises used for Alpha Kappa Psi Fraternity operations, prior to, during and following occupancy, must meet all local fire/health codes and standards as well as any applicable federal, state, county and municipal laws, ordinances and regulations.

Procedure

Charges of violation of this policy on Fire and Health Safety should be made in writing to the Chief Executive Officer with correspondence addressed to the recipient via the Heritage Center. To the extent possible, the written statement will be confidential concerning the nature of the conduct underlying his or her claim, although the fact that a claim of policy violation has been made will NOT be held in confidence. The investigation may warrant that all information surrounding the complaint may need to be released. The Investigating Committee shall consist of members of the Judiciary Committee. In instances where a member of the Judiciary Committee is charged with violation, the accused shall be removed from the committee and a replacement will be appointed. The procedures outlined in the "**Disciplinary Procedures**" will be followed as appropriate.

Summary

It is the intent of Alpha Kappa Psi to be reasonably responsive to any member who has an honest perception that this policy has been violated to the detriment of the complainant and/or the brotherhood.

Risk Management – Hazing Policy

It shall be the responsibility of all members of Alpha Kappa Psi Fraternity to determine college, university or other legal jurisdiction policy regarding hazing, mental or physical, and to comply totally with such policies.

Guidelines

In an effort to maintain and abide by this policy, members shall use the following guidelines:

1. Because some forms of hazing can involve criminal conduct (such as unwanted physical contact), you must immediately report any such criminal acts to the local law enforcement authorities in addition to Alpha Kappa Psi Fraternity.

2. No member, pledge, chapter, colony or other entity of Alpha Kappa Psi shall conduct or condone hazing activities. Permission or approval by a person being hazed does not abrogate this policy. Hazing activities are generally defined as:

Any action taken or situation created, intentionally or unintentionally, whether on or off fraternity premises, to produce physical or mental discomfort, embarrassment, harassment, or ridicule or possibly cause physical harm or injury.

Such activities include but are not limited to: use of alcohol or controlled substances; paddling in any form; creation of excessive fatigue; physical and psychological shocks; road trips, kidnapping of pledges by members, kidnapping of members by pledges; consumption of food, beverage or any other substance except in the course of regular meals; late work sessions which interfere with scholastic activities; or any other such activities carried on outside or inside of the confines of the chapter premises; but not limited to blindfolds; engaging in public stunts of buffoonery; morally degrading or humiliating games and activities; and any other activities on the part of members or pledges which are not consistent with fraternity law, ritual or policy, or any and all applicable state, county, city and university laws or regulations. Activities which could be construed as quests, treasure hunts, or scavenger hunts that are not pre-approved by the Judiciary Committee will be considered unauthorized events and by their very nature considered hazing.

3. Mental hazing would include, but would not be limited to, the activities and procedures included in the following statement of policy:
 - A. There shall be no pre-initiation activities on the day or evening prior to the day of Court of Honor or Ritual Initiation that would cause persons to be physically or mentally fatigued;
 - B. Activities during the pledge education period shall be limited to those which attempt to increase the person's knowledge of the Fraternity and the person's professional intent; these activities must be carried on in a dignified manner and must show proper respect for another person as a professional equal;
 - C. At no time during pledge education is there to be verbal abuse of an individual, including shouting, screaming and the use of profanity. This includes the use of line-ups as defined in the "**Judiciary Operations Manual.**"
4. The Chapter President, in general, and the Vice President of Membership and/or Fraternity Educator(s), specifically, are in charge of the chapter's Membership Education Program. If any chapter is reported to be hazing in any way, the President and Vice President of Membership and /or Fraternity Educator(s) will be held personally responsible for the chapter's actions, and may be personally disciplined by the removal of office or suspension of membership. The discipline may be levied by the Chief Executive Officer with the consent of the Board of Directors.

The Chapter is also liable for discipline in hazing cases, and the Chairman of the Board of Directors may appoint an alumni committee to hear evidence and testimony in such situations. Should the committee find the chapter in violation of the Board of Directors Policy, it may recommend to the Board of Directors appropriate punishment including suspension of the chapter's charter.

Procedure

Charges of violation of this policy on hazing must be made in writing to the Chief Executive Officer with correspondence addressed to the recipient via the Heritage Center. To the extent possible, the written statement will be confidential concerning the nature of the conduct underlying his or her claim, although the fact that a claim of policy violation will NOT be held in confidence. The investigation may warrant that all information surrounding the complaint may need to be released. The Investigating Committee shall consist of members of the Judiciary Committee. In instances where a member of the Judiciary Committee is charged with violation, the accused shall be removed from the committee and a replacement will be appointed. The procedure outlined in the "**Disciplinary Procedures**" will be followed as appropriate.

Summary

It is the intent of Alpha Kappa Psi to be reasonably responsive to any member who has an honest perception that this policy has been violated to the detriment of the complainant and/or the brotherhood.

Risk Management – Investigations conducted by outside persons

It is the policy of Alpha Kappa Psi Fraternity that any investigation conducted by the chapter's school, college, university, student life department, any police agency or any other entity must be reported to the Judiciary Committee Staff Liaison at the Heritage Center within five business days of the chapter becoming aware of said investigation. This responsibility falls on the chapter executive board, chapter advisor, section director and/or regional director. Failure to report any investigation shall result in charges levied against the chapter, the chapter officers and/or chapter volunteers.

Risk Management – Publication of Inappropriate Material Policy

It is the policy of Alpha Kappa Psi Fraternity to prohibit its members from producing, publishing, and/or distributing any material, whether written or electronically as text, audio, video, or some combination of all three that could be deemed harmful to the good name and reputation of the Fraternity.

Procedure

Charges of violation of this policy on "Publication of Inappropriate Material" must be made in writing to the Chief Executive Officer. To the extent possible, the complaint should include evidence as to the nature of the violation, including, but not limited to, copies of the material and/or links to websites containing such material, along with any available information pertaining to the party or parties involved in producing, editing, or distributing the material in question.

The staff of the Heritage Center is charged with assessing validity of the complaint, and if warranted, ordering the material to be destroyed, if printed, or removed from any website, if published electronically. It shall be the responsibility of the regional director, or his or her designee to ensure compliance with directives from the Heritage Center.

An initial warning letter shall be issued to the offending party(s) by the Heritage Center with instructions to remove, delete, or otherwise destroy the inappropriate content. Future violations of the Policy may result in disciplinary action imposed upon a member(s) up to and including suspension or expulsion from the Fraternity.

Member(s) deemed the owner of this material may appeal the decision if he/she believes the material is not in violation of this Policy. An Investigating Committee shall be formed by the regional director to review the decision. In the event that the matter in question involves individuals or chapters in more than one region, or instances where the allegation(s) involve members of the regional management team, the Investigating Committee shall consist of members of the Judiciary Committee.

Summary

Despite the subjective nature of attempting to determine inappropriate content, it is the intent of Alpha Kappa Psi to be reasonably responsive to any complainant who has an honest perception of a violation of this Policy. The Heritage Center shall have latitude to use its best judgment to evaluate each complaint based upon merit and with an eye toward how this content could be interpreted as inappropriate, offensive, or potential evidence of criminal conduct by members, guests or other third parties by the community at large.

Risk Management – Sexual Misconduct Policy

Alpha Kappa Psi Members must comply with all federal, state, provincial, and local laws related to sexual misconduct. This includes, but is not limited to, sexual violence, sexual harassment, domestic violence, stalking, sexual exploitation, definitions around consent, and creating environments or situations which facilitates sexual misconduct.

Alpha Kappa Psi recognizes university administrations and law enforcement officials as the authorities to investigate, adjudicate, and administer discipline in cases of sexual misconduct and will comply with the outcomes of these investigations. Alpha Kappa Psi and its members are encouraged to establish and maintain an environment where no sexual misconduct could take place, and to ensure that if an allegation does occur to respectfully and compassionately direct the alleged victims to seek professional assistance. Alpha Kappa Psi or its members can provide peer-to-peer emotional support and should encourage the reporting party to seek community or university assistance. Counselling an alleged victim, however, must be provided only by licensed professional with relevant experience in these circumstances.

Ritual Policy

The Ritual, as adopted and published by the Board of Directors, shall be used in its entirety by each chapter for the initiation of members; any variation, deletion, or changes in *The*

Ritual of Alpha Kappa Psi as published are expressly prohibited except as authorized under direction of a Committee appointed by the Board of Directors.

Student Chapter Attendance Policy

Any Student Member who misses three (3) scheduled meetings or required events per semester (or two (2) per quarter) without excuses acceptable to the chapter's executive committee shall be subject to suspension from the chapter by a majority vote of the chapter. This action may be taken without the necessity of a hearing as outlined in the **"Disciplinary Procedures Policy"** of the Board of Directors. The member(s) may appeal any suspension to the Board of Directors.

Student Chapter Education Pathway Policy

Student chapters must follow the member education pathway and minimum standards therein as prescribed and authorized by the Board of Directors. Failure to do so may result in discipline as deemed appropriate by the Board of Directors.

Student Membership Suspension for Non Attendance Policy

At the time of suspension, reasonable terms for the student member's reinstatement must be established by a majority vote of the chapter. The student member's suspended membership status and the established terms for reinstatement must be submitted by the college chapter to the Chief Executive Officer within seven (7) business days after the event thereof.

Whistleblower Policy

The fraternity faces many risks associated with fraud, abuse, and other forms of misconduct. Misconduct, fraud and abuse include but not limited to:

1. Forgery or alteration of documents;
2. Disclosure to any external party of proprietary information or confidential information;
3. Acts that violate federal, state, or local laws;
4. Theft, embezzlement, or other misappropriation of assets;
5. Intentional misstatements of the fraternity's records;
6. Authorizing or receiving payment for goods or services not received or services not performed;
7. Authorizing or receiving payments for hours not worked;
8. Failure to report known instances of misconduct in accordance with the *Board of Directors' Statement of Policy*.

It is the responsibility of every employee or volunteer to immediately notify the Chairman of the Audit Committee if you believe another employee or volunteer has engaged in work-related fraud. Any reprisal against the reporting individual will be considered a violation of

the "**Whistleblower Protection Policy**." The Audit Committee, or delegated officials, has the primary responsibility for investigating any suspected violations of this policy. Members of the investigating team shall have access to all fraternity records and documents. Neither the existence nor the status of results of the investigations shall be disclosed or discussed with any individual that does not have a direct need to know in order to complete their responsibilities. All discipline shall be handled in accordance with the *Board of Directors' Statement of Policy*.

Whistleblower Protection Policy

The Sarbanes-Oxley Act of 2002 prohibits an employer from retaliating against an employee or volunteer for providing information, assisting in an investigation, testifying, participating or otherwise assisting in any proceedings regarding conduct of the employer that the employee reasonably believes constitutes a violation of any rule or regulation of the Security Exchange Commission (SEC), any federal law related to corporate fraud or any federal law relating to mail fraud, bank fraud or fraud by wire, radio or television, if such information or assistance is provided to any federal regulatory or law enforcement agency, any member of Congress or congressional committee or any person with supervisory authority over the employee. The Fraternity does not tolerate any retaliation against employees or volunteers for providing truthful information as to corporate fraud or the commission of a federal offense. As an employee or volunteer, please notify the Chairman of the Audit Committee immediately if you believe that another employee or volunteer has retaliated against you, other employees, or other volunteers for informing the authorities of such fraud.

If a staff member is concerned about the "decisions" of the CEO, the Chairman of the Board should be available to discuss those concerns without fear of retaliation or retribution. The Chairman of the Board may refer the issue to the Executive Committee for this purpose or handle it himself.

Staff members must respect the lines of authority and not approach other persons about a concern. There shall be no retribution for a staff member who reports a situation through the proper channels. The proper authorities must respond in a timely manner.

Board of Directors Job Descriptions

Volunteer leaders are responsible for the direction and future of the organization. The board acts and thinks strategically, setting goals and strategies for the future with input from members and committees. The board continuously conducts an environmental scan and should avoid micromanagement of the organization, maintaining focus on mission, vision, values and goals. The board also serves as the supreme legislative body of the fraternity between Chapter Congress Meetings.

Director

A Director of the fraternity represents the entire membership and the collective best interest of the organization. Directors review and establish policies for the organization and review and amend governing documents as necessary. Governance is generally translated as having broad oversight of the organization and does not include operational or

administrative roles (staff roles). Each director is expected to keep up to date on the progress of the strategic plan of the fraternity in order to fulfill the board's responsibility as the long-term strategic body of the fraternity and to develop policies to ensure implementation of the strategic plan.

1. In conjunction with the full board of directors, review and amend fraternity policies as necessary
2. Delegate to the executive committee those matters that do not require the approval of the full board of directors.
3. Attend all meetings (face-to-face, conference calls) of the board of directors.
4. Generally support the policies of the fraternity.
5. Set and Review strategic goals and recommend (as necessary) changes if results are not meeting targets.
6. Review and approve reports of board committees (e.g. Audit, constitution, finance, executive)
7. Approve members and chairs of board committees.
8. Participate in the evaluation of senior management performance.
9. Review and approve the budget.
10. Elect two (2) members of the executive committee from its membership.
11. Establish other committees as deemed necessary.
12. Have general oversight of all business matters affecting the fraternity.

Chair

The Chair serves as the chief elected officer of the fraternity. Provides inspirational leadership in the motivation of members of the Board, Management Team, Heritage Center Staff, and the entire membership of the fraternity. Works in partnership with the Chief Executive Officer as appropriate. Assumes the role of trustee in the performance of the fiduciary responsibilities of the organization.

1. Presides at and attends all meetings of the board of directors and executive committee.
2. Coordinates agenda material with the Chief Executive Officer
3. In conjunction with the Chief Executive Officer, ensures board members, Executive Committee Members, Foundation Directors, and Management Team Members are kept fully informed of the condition and operation of the fraternity.
4. With Board approval, appoints chairs and members of board committees.
5. Where appropriate, outlines the purpose and duties of those committees
6. Monitors progress of all committees
7. Supports the policies of the fraternity as well as programs adopted by the Board of Directors and Executive Committee.
8. Promote interest and active participation in the fraternity on the part of membership and reports activities of the Board to the members by means of letters, publications, speeches, etc.
9. Present an annual report at the annual meeting, at the end of the term, or at other appropriate meetings.

10. Along with the Chief Executive Officer and President, acts as spokesperson for the fraternity.
11. In cooperation with those with financial responsibilities, helps develop, recommends, and upon approval operates within an annual budget.
12. Executes corporate documents as necessary.

Vice Chairman

The Vice Chairman serves as the acting chief elected officer in the absence or incapacity of the chair. Supports, advises and assists the chair.

1. Presides at meetings of the Board of Directors in the absence or incapacity of the Chair.
2. Attend all meetings of the Board of Directors and participate in policy making.
3. Supports the policies of the fraternity as well as programs adopted by the Board of Directors and Executive Committee,
4. Promotes interest and active participation in the fraternity on the part of membership and reports activities of the Board to the members by means of letters, publications, speeches, etc.
5. In cooperation with those with financial responsibilities, helps develop, recommends, and upon approval operates within an annual budget.

Secretary

The Secretary serves as the recorder and custodian of the permanent records of the Board of Director Meetings. Acts as coordinator in the distribution of minutes to affected parties to ensure proper communication across the functions of the organization. Also serves as the executor of required "corporate" documents.

1. Attend all meetings of the Board of Directors and participate in policy making.
2. Coordinate activities of the Constitution Committee.
3. Supports the policies of the fraternity as well as programs adopted by the Board of Directors and Executive Committee,
4. Promote interest and active participation in the fraternity on the part of membership and reports activities of the Board to the members by means of letters, publications, speeches, etc.
5. In cooperation with those with financial responsibilities, helps develop, recommends, and upon approval operates within an annual budget.
6. Records and maintains minutes of meetings of the Board of Directors.
7. Execute necessary corporate documents.

Treasurer

The Treasurer serves as the chief financial officer of the fraternity. Acts as liaison between the Management Team, the Heritage Center, and the Board of Directors on operational issues relating to both the budget and custody of fraternal funds.

1. Attend all meetings of the Board of Directors and participate in policy making.

2. Coordinate activities of the Finance and Audit Committees.
3. Supports the policies of the fraternity as well as programs adopted by the Board of Directors and Executive Committee,
4. Promote interest and active participation in the fraternity on the part of membership and reports activities of the Board to the members by means of letters, publications, speeches, etc.
5. In cooperation with those with financial responsibilities, helps develop, recommends, and upon approval operates within an annual budget.
6. In conjunction with the Chief Executive Officer, direct custody and investment of all funds and securities and recommends changes in banking and investment arrangements to the Board of Directors.

Board of Directors Committee Descriptions

Governance and Nominating Committee

The principal concerns of the Governance and Nominating Committee shall encompass evaluation of the performance of The Board of Directors; the role of the Board, its officers and committees; and identification and recruitment of qualified candidates for consideration as Directors. The Committee Chair shall be appointed by the Chairman of the Board and shall be responsible for all committee activities.

1. Identify, screen and recommend board member candidates to the Chapters voting in the election of Directors.
2. Develop criteria for the measurement of the performance of the board of directors annually.
3. Development, implement and maintain a training and orientation program for new Directors and a program of continuing education for seated Directors.
4. Review officer job descriptions and committee charters and recommend necessary changes to the board of directors.

Audit Committee

The Audit Committee is responsible for securing and reviewing such financial and non-financial information about the fraternity, both external and internal, and will provide oversight with respect to the implementation of a satisfactory system of internal controls and the accuracy of the financial statements and reports of management. The Treasurer of the Board shall not be the chair of the Audit Committee. The Committee Chair shall be appointed by the Chairman of the Board and shall be responsible for all committee activities.

In carrying out its duties, the audit committee shall:

1. Have direct access to the fraternity's external auditors and provide an open and independent avenue of communication between the external auditors and the board of directors.
2. Review and approve the approach, purpose and type of professional services to be performed by the external auditors and recommend to the board of directors the engagement of the external auditors.

3. Review fee arrangements with the external auditors for audit and non-audit services to be provided by them for the fraternity.
4. Review the performance of the external auditors.
5. Review the results of the annual audit and the resulting financial statements.
6. Review the external auditors evaluation of the quality and adequacy of the financial policies, procedures and controls; the overall internal controls of the fraternity; and other matters which came to their attention during the course of the audit.
7. Perform other oversight functions as may be requested by the board of directors and report to the board concerning the proceedings of the committee and its findings and concerns.

Constitution Committee

The principal concerns of the Constitution Committee shall encompass advising the Board of Directors and the fraternity as to the proper interpretation of the corporate documents and policies of the fraternity; assessing operating policies and procedures of the fraternity recommending changes/additions/deletions to the Board of Directors; and supervising amendments to the *Constitution* and *Statutory Code*. The Committee Chair shall be appointed by the Chairman of the Board and shall be responsible for all committee activities.

1. Provide advisory interpretations of the *Constitution*, *Statutory Code* and fraternity policy to the Board of Directors and the fraternity upon request.
2. Assess operating policies and procedures of the fraternity and recommend changes/additions/deletions thereto.
3. Supervise the drafting and incorporation of amendments to the *Constitution* and *Statutory Code*.

Finance Committee

The primary responsibilities of the Finance Committee are to oversee the preparation of the operating budget of the fraternity, and to make recommendations regarding fiscal and investment policy and procedure to the Board of Directors. The Committee Chair shall be appointed by the Chairman of the Board and shall be responsible for all committee activities.

1. In conjunction with the headquarters staff, oversee the preparation of the fraternity's operating budget and present such budget to the board of directors for approval.
2. Review, evaluate, and recommend changes, if appropriate, to fiscal policies and programs to the Board of Directors.
3. Review and evaluate the policies of the fraternity regarding:
 - A. Investments
 - B. Reimbursements
 - C. Other fiscal/budget policy guidelines
4. And recommend changes or additions thereto to the board of directors.