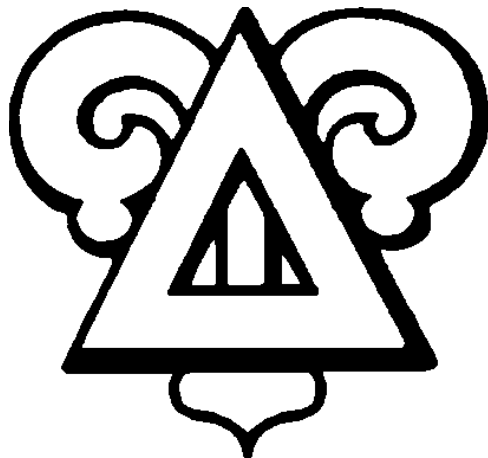


# **Delta Upsilon Fraternity**



## **Policies & Procedures Manual**

## 1.1

### **Delta Upsilon International Fraternity Mission & Vision Statement**

The Four Founding Principles of the Delta Upsilon International Fraternity are:

- The Promotion of Friendship
- The Development of Character
- The Diffusion of Liberal Culture
- The Advancement of Justice

The Vision of Delta Upsilon International Fraternity is to be the premier men's fraternity committed to *Building Better Men* for a global society through service, leadership development and lifelong personal growth of our diverse membership.

The Mission of the Delta Upsilon International Fraternity is to *Build Better Men* through the lifelong promotion of the Fraternity's Four Founding Principles – Friendship, Character, Culture, and Justice.

Established April 19, 1997

Revised November 5, 2010

## 1.2

### **Fraternity Discipline Procedures**

The Standards Committee will investigate those matters where a chapter, colony, undergraduate member, colony member, or pledge may have failed to comply with the laws and/or policies of the Fraternity, or violated local, state, provincial, or federal laws. Further, the Standards Committee is vested with the authority to conduct chapter or membership disciplinary hearings on behalf of the Board of Directors and in accordance with the Fraternity's Constitution and By-Laws. Upon completion of a Chapter or Undergraduate Member hearing, the Standards Committee will provide an action recommendation to the Board of Directors.

Established October 28, 1995

Revised November 5, 2010

## 1.3

### **Reimbursement for Members of the Board of Directors**

It is recognized that membership on the Fraternity's Board of Directors is done so in the spirit of volunteerism and in the interest of promoting the best interests of the Fraternity. Therefore, in order to properly conduct the business of the Fraternity by the men who serve on the Board, the following expenses may be remunerated:

Reimbursed expenses associated with attendance and participation at a meeting of the Board of Directors for the Alumni Officers and Directors and the Undergraduate Directors shall include: coach or its equivalent airline travel at a price purchased 21 days in advance, ground transportation, personal automobile travel at the volunteer reimbursement rate, group meals, and lodging.

In order to receive remuneration for expenses associated with attendance and participation at a Board of Directors meeting, the Board member must forward an itemized report and associated documentation to the International Headquarters within forty-five (45) days after the expense was incurred.

Established November 5, 2010

Revised January 10, 2003

#### **Procedure**

The Fraternity Treasurer will review this policy with each new member of the Board of Directors and at the Board's first quarterly meeting of each new fiscal year.

## 1.4

### **Fraternity Representation at Special Events**

In order to reasonably fulfill requests for Fraternity representation at Special Events, normally only one current Board member, past Board Chairman or President, or IHQ Staff member will attend these events. These could include Regional Leadership Seminars, Founder's Day activities, Initiation Programs, Homecomings, Chapter Installations or Colony Induction, or other Special Events sponsored by an Undergraduate Chapter, Alumni Chapter, or Alumni Club. Attendance at said events will be determined by the Board Chairman.

When traveling, the individual may submit an expense report for all reimbursable expenses.

Established January 3, 1997

Revised November 5, 2010

## 1.5

### **Fraternity Spokesman**

In the course of Fraternity business of a potentially controversial nature, it may be necessary for the Board of Directors to designate a member individual to serve as its spokesman. Unless otherwise directed, the Chairman of the Board of Directors, or Executive Director, will serve as the Fraternity's Spokesman and, thus, all inquiries received by other Board members and IHQ Staff members will be referred to the Board spokesman.

Established January 3, 1997

Revised November 5, 2010

## 1.6

### **Governance Mandates**

Includes:

- 1.6.1 Open Communications
- 1.6.2 Conflicts of Interest
- 1.6.3 Whistle-Blower Policy

## **1.6.1**

### **Open Communications**

It shall be the policy of the Delta Upsilon Board of Directors that its members follow principles of open communication in dealing with each other, with alumni and undergraduate members, and with the Executive Director and other employees of the Fraternity. Open communications will be characterized as constructive and used in an effort to ensure a positive approach to the resolution of problems or concerns.

Established October 1992

Revised November 5, 2010



## **1.6.2**

### **Conflicts of Interest**

The Conflicts of Interest policy is to be signed by all members of the Board of Directors and all employees of the Fraternity on an annual basis. The signed documents are to be kept on file at the Fraternity Headquarters.

Established August 2006

Revised November 5, 2010

## 1.6.2

### Conflicts of Interest Text

#### Delta Upsilon International Fraternity Conflicts of Interest Policy

##### I. Article I: Purpose

The purpose of the Conflicts of Interest Policy is to protect the Fraternity's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of members of the Board of Directors, a member, or an employee of the Fraternity. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable entities.

##### II. Article II: Definitions

###### 1. Interested Persons

Any member or employee of the Fraternity who has a direct or indirect Financial Interest, as defined below, in a proposed transaction or arrangement is an Interested Person.

###### 2. Financial Interest

A person has a Financial Interest if the person has, directly or indirectly, through business investment, or family –

- (a) an ownership or investment interest in any entity with which the Fraternity has a transaction or arrangement, or
- (b) a compensation arrangement with the Fraternity or with any entity or individual with which the Fraternity has a transaction or arrangement, or
- (c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual which the Fraternity is negotiating a transaction or arrangement.

Ownership of less than five (5) percent of a publicly traded entity in which a member or employee of the Fraternity has no office, title, management control, or Compensation arrangement is not a Financial Interest under this Policy.

###### 3. Compensation

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

###### 4. Those Subject to this Policy

[Type text]

Those subject to this Policy shall include members of the Board of Directors and those positions (i) elected by the membership (ii) authorized or required by the Constitution, By-Laws or Rules of Delta Upsilon International Fraternity (iii) appointed by the Executive Committee, or (iv) employed by the Fraternity.

### III. Article III: Procedures

#### 1. Duty to Disclose

In connection with any proposed transaction or arrangement that might result in an actual or possible Conflict of Interest, an Interested Person must disclose the existence of a Financial Interest and all material facts to the Executive Committee at the earlier of (i) the time the transaction or arrangement is proposed or (ii) the time the interested Person becomes aware a proposed transaction or arrangement may affect his Financial Interest. No member of the Board of Directors or employee of the Fraternity may enter into any transaction or arrangement with any subordinate Fraternity employee, undergraduate member, or undergraduate chapter that would benefit his Financial Interest without the prior approval of the Executive Committee. A Financial Interest alone is not necessarily a Conflict of Interest. Under Article III, Section 2, a person who has a Financial Interest has a Conflict of Interest only if the Executive Committee decides that a Conflict of Interest exists.

#### 2. Determining Whether a Conflict of Interest Exists

The Executive Committee shall be the final arbiter of whether a proposed transaction or arrangement constitutes a Conflict of Interest. In the event the Interested Person is a member of the Executive Committee, the remaining Executive Committee members shall decide if a Conflict of Interest exists.

#### 3. Procedure for Addressing the Conflict of Interest

If the Executive Committee determines that a Conflict of Interest would exist in connection with a particular transaction or arrangement.

- (a) An Interested Person may make a presentation at the Executive Committee meeting regarding the underlying proposal. After such presentation, he or she shall leave the meeting during the discussion of, and the vote on the transaction or arrangement that creates the Conflict of Interest.
- (b) The Chairman or other Executive Committee member presiding in his absence may, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- (c) After exercising due diligence, the Executive Committee shall determine whether the Fraternity can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a Conflict of Interest.
- (d) The Executive Committee shall determine by a majority vote of the disinterested members whether the transaction or arrangement is in the Fraternity's best interest and for its own benefit and whether the transaction is fair and reasonable to the Fraternity and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

#### 4. Violations of the Conflicts of Interest Policy

- (a) If the Executive Committee has reasonable cause to believe that an Interested Person has failed to disclose actual or possible Conflicts of Interest, it shall inform that individual of the basis for such belief and afford that individual an opportunity to explain the alleged failure to disclose.
- (b) If (i) after hearing the response of the Interested Person and/or (ii) making any such further investigation as the Executive Committee may deem warranted in the circumstances, the Executive Committee determines that the Interested Person has in fact willfully failed to disclose an actual or possible Conflict of Interest, it shall take appropriate disciplinary and corrective action.

#### IV. Article IV: Records of Proceedings

The minutes of the Executive Committee shall contain:

- (a) The names of the persons who disclosed or otherwise were found to have a Financial Interest in connection with a proposed transaction or arrangement that might result in an actual or possible Conflict of Interest, the nature of the Financial Interest, any action taken to determine whether a Conflict of Interest was present, and the decision as to whether a Conflict of Interest in fact existed.
- (b) The names of the Interested Persons in attendance who were excused for discussions and votes relating to the transaction or arrangement, any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

#### V. Article V: Annual Statements

Each member of the Executive Committee and each employee of the Fraternity shall annually sign a statement which affirms that such person—

- (a) has received a copy of the conflicts of interest policy;
- (b) has read and understands the policy;
- (c) has agreed to comply with the policy; and
- (d) understands that the Fraternity is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

The Executive Committee shall cause the Conflicts of Interest Policy to be published annually to all members of the Board of Directors of the Fraternity by one or more means which may include use of the Fraternity's e-mail system or web pages.

#### VI. Article VI: Periodic Reviews

To ensure that the Fraternity operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from

federal income tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- (a) whether compensation arrangements and benefits are reasonable and are the result of arm's-length bargaining;
- (b) whether acquisitions of services result in inurement or impermissible private benefit; and
- (c) whether partnership and joint venture arrangements and arrangements with service organizations reflect reasonable payments for goods and services, further the Fraternity's charitable purposes and do not result in inurement or impermissible private benefit.

#### VII. Article VII: Use of Outside Experts

In conducting the periodic reviews provided for Article VII, the Fraternity may, but need not, use outside advisors. If outside experts are used their use shall not relieve the Fraternity Executive Committee of its responsibility for ensuring that periodic reviews are conducted.

I agree to abide by the conditions of this document.

Name: \_\_\_\_\_ Date: \_\_\_\_\_

Title: \_\_\_\_\_

Established April 2007

## 1.7

### Whistle-Blower Policy

#### Protection of Employees Who Report Misuse of Fraternity Assets

**Protection of “Whistle-blowers.”** At the direction of the Board of Directors the Fraternity has established a procedure employees may use to make anonymous or confidential reports of suspected misuse of Fraternity assets. This so-called “Whistle-blower” mechanism is a response to the many corporate finance reforms contained in the Sarbanes-Oxley legislation regulating publicly traded companies. The Board members want the Fraternity to have the same kind of financial safeguards they have in their companies even though as a legal matter the Sarbanes-Oxley law does not apply to non-profit organizations like the Fraternity. The procedure described below features both great respect for employee reports of questionable conduct and a continuing monitoring of reports directly by the Finance and Audit Committees of the Board of Directors.

**Questionable Conduct.** It is possible you may suspect another employee has engaged in questionable conduct involving the Fraternity’s assets. This conduct might include outright theft (of equipment or cash), fraudulent expense reports, misstatements of any accounts to any manager or to the Fraternity’s auditors, or even an employee’s conflict of interest that results in financial harm to the Fraternity. The Fraternity encourages you to report such questionable conduct and has established a system that allows you to do so anonymously (or just confidentially) and without fear of retaliation.

**Making a Report.** If you suspect conduct involving misuse of Fraternity assets, you may report it either confidentially or anonymously - - in either case you will be protected against any form of harassment, intimidation, discrimination, or retaliation by the Fraternity for making such a report in good faith.

You can make a confidential report to any of the following Fraternity Officers at any time: Chairman, President, Treasurer, or Secretary. Their names and contact information are available on the Fraternity’s Internet site and will be published from time to time in the Quarterly magazine and Fraternity newsletters. The Fraternity will promptly conduct an investigation into the matter you report and will make every effort to keep your identity confidential at all times. You will be informed of the results of that investigation.

**No Retaliation.** If having made a report of suspicious conduct, you subsequently believe you have been subjected to retaliation of any kind by any Fraternity officer or employee, you should immediately report it to any Fraternity executive.

Reports of retaliation will be investigated promptly in a manner intended to protect confidentiality, consistent with a full and fair investigation. The party conducting the investigation will notify you of the results of the investigation. The Fraternity strongly disapproves of and will not tolerate any form of retaliation against employees who report concerns in good faith regarding the Fraternity’s operations. Any officer or employee who engages in such retaliation will be subject to discipline up to and including termination.

Established April 2007 - Revised November 5, 2010

## 1.8

### **Establishment of Fraternity Committees and Non-Board Officers**

Consistent with the Fraternity's By-Laws, the Board of Directors clarified the method and procedure by which Fraternity Committees and Non-Board Officers are selected.

The Board of Directors shall establish such Fraternity Committees and Non-Board Officers as it deems necessary to assist in the administration of Fraternity business. The Chairman of the Board of Directors, after consulting with other members of the Board, shall determine the Fraternity Committees and Non-Board Officers that shall be in effect during his tenure in office. The Chairman of the Board shall appoint the Chairman for each Fraternity Committee.

The following Fraternity Committees and/or Non-Board Officers may be established:

- Alumni Involvement Committee
- Awards Committee
- Audit Committee
- Communications Committee
- Standards Committee
- Governance Committee
- Joint Investment Committee
- Educational Programs Committee
- Fraternity Heritage Committee
- Loss Prevention Committee
- Other Committees/Non-Board Officers as deemed appropriate by the Chairman of the Board of Directors

Upon request, the Secretary of the Fraternity will provide to any member in good standing the names and members of the above named committees and any others that have been formed by the Chairman of the Board.

Furthermore, consistent with the Fraternity's By-Laws, the President of the Fraternity shall appoint a Nominating Committee of five members to identify candidates to stand for election for the Board of Directors. The following conditions are to be fulfilled when considering Nominating Committee members: no two members may be from the same Alumni Chapter and related Undergraduate Chapter, at least one member must be from each country in which the Fraternity is represented with a chapter in good standing, at least one member must be a past President or Chairman of the Board, and at least one member must be a president of any existing and active Alumni Chapter. The report of the Nominating Committee should include the name of the candidates nominated along pertinent biographical information.

Established April 19, 1997

## 1.9

### **Chairman of the Board of Directors Position Description**

TITLE: Chairman of the Board of Directors

REPORTS TO: The Assembly of Trustees

#### *POSITION FUNCTION*

The Chairman of the Board of Directors shall be the Chief Executive Officer of the Fraternity and shall preside at all meetings of the Board of Directors.

#### *PRINCIPLE RESPONSIBILITIES*

1. Serve as the Chief Executive Officer of the Fraternity.
2. Preside at and attend all meetings of the Board of Directors.
3. Shall serve as the Chairman of the Board of Directors Executive Committee and shall attend all meetings of the Executive Committee.
4. Appoint all Committees of the Board of Directors, after consulting with the other members of the Board.
5. Shall direct such actions, within the limits of the laws of the Fraternity, as are in the best interest of the Fraternity.
6. Shall deliver an annual report to the Assembly of Trustees and the Undergraduate Convention.
7. Perform other such duties as the Assembly of Trustees or Board of Directors may determine.

Established July 1, 1997

Revised November 5, 2010



## 1.10

### **Fraternity President Position Description**

TITLE: Fraternity President

REPORTS TO: The Assembly of Trustees

#### *POSITION FUNCTION*

The President shall serve as the Chief Rituals Officer of the Fraternity and shall preside at all meetings of the Assembly of Trustees.

#### *PRINCIPLE RESPONSIBILITIES*

1. Serve as the Chief Rituals Officer of the Fraternity.
2. Serve on and attend all meetings of the Board of Directors.
3. Shall serve on and attend the Board of Directors Executive Committee meetings.
4. Appoint the Nominating Committee with the approval of the Board of Directors.
5. Preside at and attend the Assembly of Trustees meetings.
6. Shall deliver an annual report to the Assembly of Trustees and the Undergraduate Convention.
7. Shall perform other such duties as the Assembly of Trustees or the Board of Directors may require.

Established July 1, 1997

Revised November 5, 2010

## 1.11

### **Fraternity Secretary Position Description**

TITLE: Fraternity Secretary

REPORTS TO: The Assembly of Trustees

#### *POSITION FUNCTION*

The Secretary shall serve as the Chief Recording Officer of the Fraternity.

#### *PRINCIPLE RESPONSIBILITIES*

1. Shall be the Chief Recording Officer of the Fraternity.
2. Shall serve on and attend all meetings of the Board of Directors.
3. Serve on and attend the Board of Directors Executive Committee meetings.
4. Maintain the records of the Fraternity and the minutes of the Assembly of Trustees and the meetings of the Board of Directors.
5. Report on member resignations to the Board of Directors and reviews all member expulsions.
6. Shall perform other such duties as the Assembly of Trustees or the Board of Directors may require.

Established July 1, 1997

Revised November 5, 2010

## 1.12

### **Fraternity Treasurer Position Description**

TITLE: Fraternity Treasurer

REPORTS TO: The Assembly of Trustees

#### *POSITION FUNCTION*

The Treasurer shall serve as the Chief Financial Officer of the Fraternity.

#### *PRINCIPLE RESPONSIBILITIES*

1. Serves as the Chief Financial Officer of the Fraternity.
2. Shall serve on and attend all meetings of the Board of Directors.
3. Serve on and attend the Board of Directors Executive Committee meetings.
4. Shall collect, receive, and have the care and custody of all moneys and securities of the Fraternity.
5. Is responsible, under the direction of the Board of Directors, for managing the financial affairs of the Fraternity in accordance with the Fraternity's laws.
6. Shall make an annual report at the Convention and Assembly of Trustees meeting as to the financial condition of the Fraternity.
7. Work in cooperation with the Executive Director and other Fraternity officials to prepare an annual budget for approval by the Board of Directors.
8. Be aware of and participate in decisions regarding taxation and accounting procedures which may affect the Fraternity.
9. Review and approve the audits of the Fraternity's operations.
10. Shall perform other such duties as the Assembly of Trustees or the Board of Directors may require.

Established July 1, 1997

Revised November 5, 2010

## 1.13

### Alumni Director Position Description

TITLE: Alumni Director

REPORTS TO: The Assembly of Trustees

#### *POSITION FUNCTION*

An Alumni Director of the Board of Directors shall, along with other members of the Board of Directors, manage the affairs of the Fraternity during such time as the Assembly of Trustees shall not be in session.

#### *PRINCIPLE RESPONSIBILITIES*

1. Shall serve on and attend all meetings of the Board of Directors.
2. Attend and participate in the Leadership Institute, Undergraduate Convention, Assembly of Trustees meeting, and other Fraternity observances as requested.
3. Serve as a Committee Chairman or on a Fraternity Committee as requested.
4. Serve as a liaison between the undergraduate and alumni chapter leaders and the Board of Directors.
5. Shall perform other such duties as the Assembly of Trustees or the Board of Directors may require.

Established July 1, 1997

Revised November 5, 2010

## 1.14

### **Undergraduate Director Position Description**

TITLE: Undergraduate Director

REPORTS TO: The Assembly of Trustees

#### *POSITION FUNCTION*

An Undergraduate Director of the Board of Directors shall, along with other members of the Board of Directors, manage the affairs of the Fraternity during such time as the Assembly of Trustees shall not be in session.

#### *PRINCIPLE RESPONSIBILITIES*

1. Shall serve on and attend all meetings of the Board of Directors.
2. Attend and participate in the Leadership Institute, Undergraduate Convention, Assembly of Trustees meeting, and other Fraternity observances as requested.
3. Serve as a Committee Chairman or on a Fraternity Committee as requested.
4. Serve as a liaison between the undergraduate and alumni chapter leaders and the Board of Directors.
5. Shall perform other such duties as the Assembly of Trustees or the Board of Directors may require.

Established July 1, 1997

Revised November 5, 2010

## 1.15

### **Establishment and Authority of the Board Executive Committee**

The Board of Directors, by resolution, has established the Executive Committee to facilitate its management of the affairs of the Fraternity. The Chairman of the Board shall serve as the Chairman of the Executive Committee and shall appoint the other members of the Executive Committee with the approval of the Board. Executive Committee membership may include, in addition to the Chairman of the Board, the Fraternity President, the Fraternity Treasurer, the Fraternity Secretary, and other members of the Board of Directors as determined by the Chairman of the Board.

The duties and scope of authority of the Executive Committee will include:

1. To review and establish the agenda for the meetings of the Board of Directors.
2. To aid and advise the Executive Director in all matters concerning the affairs of the Fraternity between meetings of the Board.
3. To review the annual Operating and Loss Prevention Budgets and make recommendations concerning budgeting matters to the full Board.
4. To file a report to the full Board following meetings of the Executive Committee.
5. To conduct a performance evaluation of the Executive Director and to make recommendations to the full Board as to annual compensation of the Executive Director.
6. To undertake such other activities and to formulate other recommendations as may be requested from time to time by the Board in accordance with the Fraternity's Constitution and By-laws.

The Executive Committee shall not have authority to enact Fraternity or Board resolutions and/or policies, or to perform any Constitutional duty or function of the Board of Directors.

Established April 25, 1998

Revised November 5, 2010

## **Policy 1.16**

### **Board Expenses and Commitment Limitations**

In any organization, particularly those experiencing turnover of Officers and Directors with some regularity, there is a need to clearly express the authority for spending or commitments to spend.

The Board of Directors retains the authority to approve all expenses, investments, purchases of any kind without limitation, except as provided by this policy authorizing these delegations of authority and the following rulemaking to provide for the orderly control of organization expenses and purchase of capital items.

The authority is granted for the purpose of limiting the contracting for, or the authorizing of, expenditures or obligations of any kind, not merely the signing of checks, etc.

No one is authorized, and the organization will not honor any transaction, that is not in compliance with this policy nor if it is in excess of these delegated amounts.

The Executive Director, at his discretion, may further limit or restrict these delegated amounts, as they pertain to individual staff members.

#### **Executive Director**

The Executive Director is authorized to make unbudgeted purchases, or commitments, up to \$5,000. Any amount in excess of \$5,000 needs approval of a member of the Executive Committee.

The expense reports of the Executive Director shall be approved by the Chairman of the Board.

#### **Capital Asset Purchase approval**

No Director is authorized to make any capital asset purchase commitments unless it is a prior approved budgeted item and its purchase has been coordinated with the Executive Director.

Established October 18, 2003

Revised November 5, 2010

## **Policy 1.17**

### **Voting of the Board of Directors Outside Regularly Scheduled Meetings**

In addition to casting votes at regularly scheduled Board of Directors meetings, the Board may also act by a vote of a majority of the Directors sent in writing by email, facsimile or by mail to the Secretary of the Fraternity. All Directors must be notified of the vote and such votes must be recorded in the minutes of the next regular or special meeting of the Board of Directors.

Established July 22, 2010



## **Policy 1.18**

### **Distribution of Minutes**

Upon request, the Secretary of the Fraternity will provide to any member in good standing copies of the minutes of the meetings of the Board of Directors, excluding information of a personnel matter, confidential nature or relating to existing or pending litigation

Established July 22, 2010

Revised November 5, 2010

## **Policy 1.19**

### **Involvement in Fraternity Affairs**

Be it resolved, that officers, directors, and members of the Standards Committee be, and they hereby are, prohibited from voting on, or otherwise participating in any matter with respect to sanctions, discipline, loss prevention, or awards recognition pertaining to their undergraduate chapter, or any other chapter that they serve in an advisory capacity; and

Be it further resolved, that officers and directors shall refrain from advocating or representing their undergraduate chapter, or a chapter they advise, to the professional staff with respect to sanctions, discipline, loss prevention or awards recognition, unless requested to do so by the professional staff.

Established April 18, 2015

## 2.1

### Document Retention Guidelines

It was decided by the Board of Directors to establish a policy concerning the retention of International Fraternity documents in order to reduce storage and maintenance expenses, and to limit excess paper flow. The guidelines seek to prevent the inadvertent destruction of documents that the Fraternity is legally obligated to retain, or otherwise wishes to have available for future staff study. The guidelines reflect Fraternity interests, state or federal requirements, and applicable statutes of limitations.

#### Financial Records

Accounts Receivable ledgers and schedules	7 years
Accounts Payable invoices, schedules	7 years
Expense Reports	7 years
Financial Statements (year end)	Permanently
General Ledgers/Journal Entries	7 years
Payroll Records	7 years
Canceled checks	7 years
Annual audit report of accountants	Permanently
Tax returns and worksheets	Permanently
Bank reconciliation	1 year

#### Membership Records

Member biographical forms	Permanently
Initiation Reports	Permanently
Resignation/Expulsions	Permanently

#### Corporate Records

New York annual report filings	Permanently
Indiana annual report filings	Permanently
Minutes - Board of Directors	Permanently
Articles of Incorporation	Permanently
Constitution and Bylaws	Permanently
Minutes of Convention and Assembly	Permanently
Policies	Permanently

#### Personnel Records

Employee records (after termination)	2 years
Employment applications	2 years

#### Insurance Records

Insurance policies (after expiration)	8 years
Claims	8 years

## Chapter Records

Chapter visitation reports	2 years
Discipline reports	2 years
Chapter rosters	2 years
General correspondence	2 years
Show Cause notices	2 years

## Other Fraternity Records

Contracts, leases (after termination)	4 years
General Fraternity correspondence	2 years
Chapter Loan files (after repayment)	7 years
Leadership Institute materials	4 years
Membership Eligibility Lists	Permanently
Committee records	4 years
Expansion records	As needed

Established July 29, 1995

Revised November 5, 2010

## 2.2

### **Executive Director Compensation**

Prior to the conclusion of each fiscal year (June 30) and as new budget projections are determined (March - May), the Chairman of the Board of Directors will meet/discuss with the Executive Director information pertinent to the Executive Director's performance review, professional goals, Fraternity objectives, and compensation. The Chairman will confer with the members of the Board's Executive Committee concerning these matters and will make determinations as to the Executive Director's performance, compensation, and benefits for each new fiscal year.

#### **Procedure**

1. The Executive Director will compile performance information for review by the Board of Directors.
2. The Chairman of the Board of Directors will communicate directly with the Executive Director concerning performance, professional goals, and compensation.

Established January 3, 1997

## 2.3

### **Outside Employment or Interest for Senior Staff**

It is inconsistent with employment arrangements for a full-time member of the Senior Staff to engage in any material or outside employment or interest which might create or be construed to create a conflict with duties or responsibilities to the Fraternity. To avoid any employment conflicts, full-time Senior Staff members will not engage in any outside employment or interests without the explicit approval of the Executive Director. Senior staff is defined as director-level positions or higher.

Established April 19, 1997

Revised November 5, 2010

## 2.4

### **International Headquarters Staff Management**

The Executive Director shall manage the staffing issues and needs for the International Headquarters. This shall include, but not be limited to, the following areas:

- Employment Process – Interviewing, Hiring, and Termination
- Training and Professional Development (internal and out-sourcing)
- Analysis of Employee Benefits
- Performance Evaluation

Furthermore, the Executive Director shall conduct performance evaluations for IHQ Staff members prior to the conclusion of the fiscal year (June 30) and as new budget projections are being formulated. The Executive Director will determine individual salaries for all employees. Where necessary, the Fraternity's Executive Director will confer with the Executive Director of the Delta Upsilon Educational Foundation to conduct performance evaluations.

Established April 19, 1997

Revised November 5, 2010

## 2.5

### **Information Reporting to North-American Interfraternity Conference**

Delta Upsilon Fraternity supports the April 2004 approval of standards for the North-American Interfraternity Conference.

The International Headquarters Staff shall, so long as Delta Upsilon is a member of the North-American Interfraternity Conference (NIC), annually report to the NIC headquarters information required under NIC Constitution and By-Laws.

This information shall be provided to the NIC so long as the NIC shall take appropriate steps to ensure the information is not publicized in a manner by which individual member fraternity information could be identified.

#### **Procedure:**

1. By November 1<sup>st</sup> of each year the International Headquarters shall report the following data for Delta Upsilon, covering the preceding academic year, to the NIC Headquarters:
  - Number of pledges / new members
  - Retention of Pledges
  - Number of initiates
  - Number of initiated men (undergraduate)
  - Retention of men for past academic years (annual retention rate for those who left Delta Upsilon Fraternity prior to graduation)
  - Number of chapters opened and size at the time of chartering
  - Number of closed chapters and reason for closure
  - Number of active chapters
  - Number of members involved in campus leadership positions
  - Number of community service hours donated
  - Number of dollars raised for charitable causes
2. The International Headquarters Staff shall apprise the Board of any additional information sought by the NIC.
3. Delta Upsilon International Fraternity, and its chapters, will actively support the Standards of the NIC. Any chapter not in compliance with NIC Standards will be referred to the fraternity's Standards Committee.

Established October 29, 2004

Revised November 5, 2010



## 3.1

### Fraternity Cash and Investment Accounts

The International Fraternity has several Cash and Investment Accounts that serve a number of general purposes. The Cash and Investment Accounts for the International Fraternity include the following:

1. Payroll Account - All employee payroll activity is segregated in this account. All employee compensation is drawn from this account.
2. General Depository Account - International Fraternity general cash receipts from U.S. Chapters are deposited into this account. The branch bank is conveniently located near the Headquarters, allowing for daily deposits. Periodically, funds in this account are transferred into a higher-yielding account.
3. Insurance Depository Account - General Liability Insurance premiums paid by U. S. and Canadian Chapters are deposited into this account. Periodically, funds in this account are transferred into a higher-yielding account.
4. Educational Set-Aside Account - All interest income and net realized gains are segregated into this account to be used for qualified purposes as required by the Internal Revenue Service. Funds are periodically withdrawn to reimburse the Fraternity for qualified expenditures.
5. Short-term Investment Account - Excess General Fraternity cash is periodically transferred into this account. This account also serves as the Fraternity's Checking Account.
6. Short-term Investment Account for Insurance - Excess Insurance funds is periodically transferred into this account.
7. Permanent Trust Fund - The Permanent Trust Fund represents an investment portfolio of cash, stocks, and bonds. The funds are managed by a professional investment management firm and are held by a qualified custodian.

As a matter of practice and in accordance with proper fiduciary requirements, the Board of Directors issues signature authority for the Fraternity's Financial Accounts. Signature authority will be revised as necessary following the election of a new Board of Directors, the appointment of a new Executive Director, and/or reaffirmed at the Board's first quarterly meeting of each fiscal year.

Established January 3, 1997

Revised November 5, 2010

#### Procedure

The Fraternity Treasurer and the Executive Director will ensure this policy is properly monitored and implemented.

[Type text]

## 3.2

### Loss Prevention Fund Investment Policy

#### INVESTMENT POLICY

#### DELTA UPSILON INTERNATIONAL FRATERNITY PERMANENT TRUST FUND AND DELTA UPSILON EDUCATIONAL FOUNDATION INVESTMENT PORTFOLIO

##### I INTRODUCTION

The Investment Committee is the joint committee of the Delta Upsilon International Fraternity and the Delta Upsilon Educational Foundation responsible for the investment of assets of the two organizations pursuant to its member's appointment. To assist the Committee, it is authorized to engage the services of professional investment managers, who shall be fiduciaries with respect to the Funds and who possess the necessary specialized research capabilities to manage fund assets.

The Committee has delegated investment authority to the Investment Managers who are empowered with the sole and exclusive power and authority to manage the investment assets of DUIF and DUEF, including the power to acquire and dispose of said assets, subject to guidelines and limitations herein contained and in the Investment Managers' contracts.

This Investment Policy shall be reviewed periodically by the Committee and modifications will be transmitted in writing to the Investment manager.

##### II INVESTMENT POLICY

###### GENERAL

These invested Funds shall be diversified in order to minimize the impact of large losses in individual investments. All investments shall be made in compliance with the Guidelines contained herein.

###### A. ALLOCATION OF RESPONSIBILITIES

###### 1. Committee: Asset Allocation and Liquidity

The Committee has the responsibility for establishing the basic investment policy that will guide the investment program which will include a description of the overall fund structure in accordance with a risk level they deem appropriate. The Committee is responsible to determine the Fund's liquidity needs and to engage investment managers to carry out the execution of the Investment Policy.

###### 2. Investment Managers: Execution of Policy

Each Investment Manager appointed by the Committee shall invest the portion of the assets placed under its management in accordance with this Policy, but shall apply its own

[Type text]

judgment concerning relative investment values. Each manager is accorded full discretion, within general and specific Investment Policy guideline limits and restrictions, to select and time individual purchases and sale transactions and to diversify assets appropriately.

## B. ASSET CLASSES AND ALLOCATION OF ASSETS

All assets of the fund shall be allocated to and invested in one of the asset classes listed in the following table:

TARGET ALLOCATION OF ASSETS (Measured by market value)			
ASSET CLASS	TARGET	Min	Max
Equity	75%	50%	85%
Fixed Income	25%	10%	40%
Cash	Minimal	0%	10%

On a regular basis the Committee will consult with the investment manager to consider the allocations of class and consider actions to rebalance the assets to take advantage of market conditions and to provide for organizational financial needs.

## C. STANDARD AND MEASURES OF PERFORMANCE

Performance measurement will be made on a regular basis by the Committee and will include comparisons against established indexes as well as other Investment Managers for each asset class. While performance of Investment Managers will be reviewed, quantitative evaluation will normally be considered of more importance over a three to five year investment horizon. Performance shall mean the total rate of return, computed on a time-weighted basis, after all expenses. Investment managers are expected to add value after expenses to the Funds' investment return and provide performance that exceeds representative indexes and the returns of other Investment Managers with similar investment styles. The continuing compliance of all investment portfolios with Investment Policy is the specific responsibility of the Investment Manager.

## D. COMMUNICATION AND REPORTING OF INVESTMENT MANAGERS

The investment Manager is responsible for frequent and open communication with the Committee on all significant matters pertaining to investment policies and the management of the Funds assets. Each Investment Manager shall report to the Committee with respect to:

1. Changes, within the Investment Manager's view, are significant and material in the Investment Manager's outlook, investment strategy, portfolio structure and risk level.
2. Any significant changes in the investment manager's ownership, investment process, organizational structure, financial condition, senior personnel staffing, or Form ADV filed with The Securities and Exchange Commission.
3. Quarterly transactions, valuation, and performance report to coincide with the Fund's performance.

4. Any changes which the Investment Manager believes are necessary to the Investment Policy to prudently invest the assets under its management.
5. Brokerage placement practices to ensure best execution on all security transactions and the use of commissions to purchase research and other services.
6. Any material litigation brought by a client or former client of the Investment Manager relating to investment advisory services or regulatory enforcement action if the Investment Manager has been notified by a regulatory agency that it's is the subject of such enforcement action.
7. Any deviations from the Investment Policy and Guidelines governing our portfolios.
8. Any other matter that the Investment Manager believes would impact the Investment Manger's ability to Manage the portfolio of assets of that is reasonably requested in writing by the Committee.

#### E. FIDUCIARY LIABILITY INSURANCE

The investment manager shall maintain an Errors and Omissions or fiduciary liability insurance policy with a minimum coverage of 5,000,000 dollars and be registered under the Investment Advisors Act of 1940.

### III INVESTMENT POLICY GUIDELINES FOR INVESTMENT MANAGERS

The portfolio investments are expected to maintain certain minimum characteristics which shall be viewed as guidelines in formulating investment strategies.

All investments shall be made on an unleveraged basis.

The investment manager shall not invest more that 5% of a portfolio measured at market in the securities, debt or equity, of any one company. In addition, prudent diversification standards shall be developed and maintained.

#### A. EQUITY

##### 1. Types of Securities

Equity investments shall mean common stocks, units of beneficial interest, preferred stocks, convertible securities, American Depository Receipts (ADR's), and shares of foreign companies traded on U.S. exchanges, and tracking stocks as outlined below.

##### 2. Minimum requirements

Equity investments shall be limited to securities of corporations listed on the New York Stock Exchange, American Stock Exchange, NASDAQ, and those over the counter securities of

sufficient liquidity to be readily marketable. Convertible and preferred securities shall have a minimum rating of “BBB” as rated by Standard and Poor’s.

## B. Tracking Stocks

These types of securities may be allowed in equity portfolios only if the Investment Manager has conducted a thorough due diligence on the specific security and has determined that the issue is an appropriate investment under the letter and spirit of this Investment Policy. Areas to be considered by the Investment Manager in the analysis to insure that DUEF and DUIF’s rights as an investor shall include (but are limited to) the following:

- a. Shareholder rights to profits, either through dividends or price appreciation
- b. Shareholder protection in the event of sale or separation of the business unit.
- c. Whether shareholders have voting rights to ensure that the beneficial interest of the portfolio is protected
- d. Clear guidelines as to how assets, liabilities, debts, shareholder equity, and voting rights will be allocated among the business unit and balance of the organization.

Inclusion in the portfolio will indicate that the manager has conducted such due diligence as to be satisfied that the security is appropriate for the client, and is consistent with the terms and spirit of the investment policy statement and related investment guidelines.

## 4. Diversification

Equity investment in any one company by one manager shall be limited to no more than 5% of the total equity portion of the portfolio measured at market and/or 5% of the total outstanding shares of any company, whichever is less.

## B. FIXED INCOME

### 1. Types of Securities

Fixed income investments shall mean publicly traded debt securities issued by the United States Government, agencies of the United States Government, domestic corporations, other United States financial institutions or mortgage/asset backed securities and “Yankee bonds” (debt issued by foreign entities registered with the Securities and Exchange Commission, denominated in U.S. Dollars and which trade domestically).

### 2. Minimum Quality

Debt investments are limited to the first four quality grades as established by Standard and Poor’s, and Moody’s. Ratings of less than BBB or respectively Baa3 are prohibited. If the issue is split rated, the lower rating governs.

### 3. Diversification

Except for U.S. Treasury and Agency obligations, including federally sponsored entities, debt investment of any one entity may not exceed cumulatively exceed 5% of the manager's portfolio based on market value. Investments in bonds rated A- and A3 shall not exceed 20% of the fixed income portfolio measured at market. Each 144A Security and Yankee Bond is limited to 10% of fixed income investments measured at market.

#### 4. TBA Securities

All investments in TBA securities shall be permitted to the extent the Cash equivalent balances to satisfy the transaction are available and held to final settlement.

#### 5. Use of 144A Securities

If the investment Manager determines that DUEF or DUIF is a qualified institutional buyer then 144A securities are allowed if they carry registration rights, the credit rating of the issuing corporation conforms to the minimum credit standard of this Policy and has a pool issue of size of 50 million dollars.

#### 6. Prohibited Securities

The investment in asset backed securities is permitted. However, the following securities are NOT permitted without prior approval of the Investment Committee:

- a. securities secured by using interest payments only as collateral and the source of repayment for a structured bond (IO)
- b. securities secured by using principal payments only as collateral and the source of repayment for a structured bond (PO)
- c. Accrual Bonds (z tranches)
- d. Inverse or Reverse Floaters with a multiplier greater than 1.00 or less than -1.00
- e. Asset pools not domiciled in the United States
- f. Collateralized Bond Obligations (CBO's)
- g. Collateralized Debt Obligation (CDO)
- h. Collateralized Loan Obligation (CLO)

#### 7. Real Estate

The portfolio may invest in real estate indirectly using commingled funds specifically designed for tax-exempt institutional investors. No direct investment is permitted.

#### 8. Cash Equivalents

a. Cash equivalents include publicly traded debt securities issued by the United States Government or agencies of the United States Government, commercial paper, certificates of deposits, savings accounts and short-term investments or money market funds of institutional quality of entities domiciled in the U.S. with maturities of fewer 180 days.

b. Minimum Quality

Commercial paper must be only of the highest quality (A-1 or P-1). Certificates deposit must be issued by United States banks or financial institutions which carry a similar rating in an amount qualifying under the federal insurance limits.

c. Short term investment funds

The investment manager will ensure that the uninvested cash balances are kept to a minimum.

9. General

a. Uninvested assets

Assets held by the investment manager as liquidity or investment reserves shall, at all times, be invested in interest bearing accounts.

b. Compliance

If any of the parameters described in this Investment Policy are violated as a result of market movements, changes in credit rating, or other events outside of the Investment Manager's control, the Investment Manager shall inform the Committee as soon as reasonably practicable. If the Investment Manager intends to hold the affected securities, he must keep the Committee fully informed of any change positive or negative as well as any change in recommendation.

c. Derivative Securities

The Committee has determined the use of derivative securities should be controlled in accordance with the best operating standards of the securities industry and shall comply with the basic investment objectives of this policy especially in the avoidance of excessive volatility.

d. Volatility of Returns

As a general investment guideline, the volatility of a portfolio's return as measured by the standard deviation of the benchmark index over a market cycle of three to five years.

e. Investment Transactions

All transactions are to be governed by negotiation to achieve "best execution." The lowest commission rate does not necessarily mean "best execution". Best Execution shall include among other things, the execution capability of a broker/dealer. Responsibility for achieving best execution is retained by the Investment Manager.

f. The duty to vote proxies is delegated to the Investment Manager.

#### IV INVESTMENT POLICY RESTRICTIONS

The following categories of securities and trading practices are not permissible using DUEF or DUIF funds without the Committee's prior written approval:

1. Unregistered or restricted stock
2. Rule 144A securities without registration rights
3. Derivatives except as described above
4. Foreign equity and fixed income securities, except as described above.
5. Commodities, including gold or currency futures
6. Tax exempt securities
7. Conditional sales contracts
8. Options
9. Futures
10. Warrants (except those received and distributed due to direct ownership of a company)
11. Margin buying
12. Short selling
13. Leasebacks
14. Private debt or securities except as described above
15. Annuities or Guaranteed Insurance Contracts

Established August 2, 2007

Revised April 20, 2012



## 3.3

### Accounts Receivable Collection Policy

To ensure Undergraduate Chapters meet their financial obligations to the International Fraternity, the Board of Directors has established the following Accounts Receivable Collection Policy.

1. Chapters will be sent a detailed bill from the International Headquarters on the 1st of each month. The entire balance must be paid by the 15th of the same month. Pledge and initiation fees must be paid within 7 days regardless of whether they are included on the Chapter's bill.
2. After 30 days, late charges and interest will be assessed. Interest will accrue at a rate of 12% annually. The Fraternity's Accountant will follow-up with the Chapter's leadership to facilitate immediate payment.
3. When the receivable approaches the 90 day period, the Fraternity Secretary will issue a Show Cause Order per directive of the Standards Committee. The Chapter will be instructed to pay the outstanding obligation in full within 30 days or appear before the Standards Committee to show cause why the Chapter's Charter should not be suspended or revoked.

The Executive Director or the Fraternity Treasurer will approve promissory notes and payment plans only when extraordinary circumstances exist. This will be determined on a case by case basis, and the events necessitating this must be unusual and infrequent to the chapter's operations.

4. The Executive Director may establish procedures that are not inconsistent with this policy, to ensure that Chapters with substantial overdue bills pay for materials before they are shipped.
5. A fee of \$30 will be charged to the Chapter for any check (Chapter or individual) which is returned for insufficient funds.
6. Communication should continue between the chapter leadership and the Fraternity's Accountant during all phases of collection.

Established October 28, 1995

Revised April 17, 2004

Revised August 1, 2004

Revised November 5, 2010

#### Procedure

1. The International Headquarters will communicate this policy to all chapters.
2. The International Headquarters will notify chapters of their delinquencies and possible action.

## 3.4

### **Fraternity Lien Procedure**

In a situation where an Undergraduate Chapter or House Corporation is in financial arrears to the International Fraternity and a House Corporation (or other entity) owns or has control of real property and/or a structure occupied by a Chapter, the Board of Directors may request that the House Corporation (or other entity) execute in favor of the International Fraternity a mortgage or other statutory lien to secure the debt owed. This policy will automatically apply to all Chapters and House Corporations on which the financial indebtedness is greater than or equal to \$10,000 and is 120 days past due. At the instruction of the Board of Directors, this policy may also apply for financial indebtedness of less than \$10,000 or 180 days past due.

#### **Procedure**

1. The International Headquarters shall communicate this policy to all existing House Corporations that own real property occupied by an Undergraduate Chapter.
2. The Board of Directors may authorize the Executive Director to hire legal counsel to effect the aims of this policy.

Established January 3, 1997

Revised November 5, 2010

## 3.6

### Fraternity Fees & Assessments

In accordance with the Delta Upsilon International Fraternity Constitution and By-Laws, on an annual basis prior to the Undergraduate Convention the Board of Directors will propose a universal fee structure for members and chapters of the Fraternity. The proposed structure will be established concurrently by the Board of Directors and the Undergraduate Advisory Board

Below are the fees and assessments for the 2013-2014 year with pertinent details.

#### **FEES DUE**

**Extensions:** Because of the school calendar, the deadline of **October 1** will apply to **Cal Poly, Chicago, Northwestern, Oregon State, San Diego, Washington, and Western Ontario**. The deadline of **February 15** will apply to **Carthage, DePauw, Lafayette, and St. Norbert**. This applies to (1) chapter fee; (2) roster and roster fees; (3) Loss Prevention fees.

**Chapter Fee:** Fall - \$1,050 is billed August 15 and is **due** September 15  
Spring - \$1,050 is billed November 15 and is **due** February 1

#### **Roster/Membership Fees:**

Fall - Rosters listing all members will be mailed to chapters August 15 and are **due** with corrections, additions and deletions by September 15, along with the membership fee payment. **Chapters are billed \$85 per man for all men pledged and/or initiated on or before June 30.**

Spring – Rosters listing all members will be mailed November 15 and are **due** with corrections, additions and deletions no later than February 1, along with the membership fee payment. **Chapters are billed \$85 per man for all men pledged and/or initiated on or before January 1.**

*(Membership fee payments must be sent with the corrected roster. If an updated roster with payment is not postmarked or submitted by the due date, the chapter will owe the full amount shown on the invoice plus a 10% late charge will be added.)*

#### **Loss Prevention Assessment:**

Fall portion (75% of total) is billed August 15 and is **due** September 15  
Spring portion (25% of total) is billed November 15 and is **due** February 1

**Associate Member Fees:** \$75 per man is due within seven (7) days of pledging. *A late fee of \$10 per new associate member will be assessed if payment is not received/postmarked within seven (7) days of pledging.*

**Initiation Fees:** \$235 per man and is due before or within seven (7) days of initiation. *A late fee of \$20 per new initiated member will be assessed if payment is not received/postmarked within seven (7) days of initiation.*

**Alumnus Initiation Fees:** \$250 per man and is due before or within seven (7) days of initiation. *A late fee of \$20 per new alumni initiate will be assessed if payment is not received/postmarked within seven (7) days of initiation.*

**Finance Charges:** 1% / month (12% annually) on outstanding past due balances

## **ADMINISTRATIVE REPORTS DUE**

**Online Biographical Form:** Due to IHQ at time of pledging.

**Budget:** Due by May 1 for the following academic year. (i.e. the budget for the 2012-2013 academic year was due by May 1, 2012)

**CEP:** To make a submission visit [www.deltatau.org/CEP](http://www.deltatau.org/CEP)  
Last date for submissions is June 15

**Initiation Report:** Due seven (7) days before initiation

**Leadership Institute Registration:** By June 15

**Winter Educational Conference Registration:** By December 1

**Member Expulsions:** Immediately with documentation

**Member Resignations:** Immediately with documentation

**News Articles for Quarterly:** One news submission each semester

**Officer List:** Fall – **due** October 1  
Spring – **due** February 1  
**Due** immediately after officer elections

## 3.7

### Management of the Set-aside Fund

Consistent with Internal Revenue Service requirements, the Fraternity has established a Set-aside Account where all interest income, royalties, and net realized gains are segregated into a separate fund. The funds are to be used for qualified educational purposes as required by the IRS, or to fund operating expenses, understanding that there may be tax liabilities to assume.

After careful analysis, should the Fraternity need to utilize any of the funds in the Set-aside Fund, the Board approved a policy stating that the distribution of any funds in any ninety (90) day period is authorized according to the increments provided below.

1. The Executive Director is authorized to transfer funds from the Set-aside Account to the general operating account up to \$25,000.
2. The Executive Director will seek endorsement from the Fraternity Treasurer for any transfers between \$25,000 and \$50,000.
3. The Executive Director will seek endorsement from the Board's Executive Committee for any transfers between \$50,000 and \$100,000.
4. The Executive Director will seek endorsement from the full Board for any transfers in excess of \$100,000.

Established January 9, 1998

#### Procedure

The Fraternity Treasurer and the Executive Director will ensure this policy is properly monitored and implemented.

## 3.8

### Management of the Permanent Trust Fund

The Board of Directors is the body within the Fraternity authorized to direct the use and maintenance of the Permanent Trust Fund ("PTF"). The purpose of the PFT is to provide adequate financial reserves for the Fraternity should the Fraternity face a challenging fiscal situation or unforeseen events.

It is the policy of the Board of Directors that acceptable reserves shall be maintained in the PTF. "Acceptable reserves" shall be defined as seventy five (75%) of the prior year's general operating, expenses of Fraternity.

The members of the Board of Directors shall strictly observe their duty when considering appropriate uses of the PTF. If the reserves are at an acceptable level, an amount based on the current DUEF contribution rate will be withdrawn to be used for normal budgeting purposes.

The PTF may be used 1) to address a serious financial crisis for the Fraternity or 2) for long-term investments in:

1. Educational programming;
2. Technology; or
3. Management resources.

The Fraternity Treasurer shall provide a full accounting of the PTF quarterly to the Board of Directors, and if requested, to the Convention and Assembly of Trustees, as well as annual reports in the Delta Upsilon Quarterly.

Established July 23, 1998

Revised November 5, 2010

## **3.9**

### **Fraternity Budget Policy**

In accordance with Article 6, Section 1 of the Delta Upsilon By-Laws, the International Headquarters staff will submit annually to the Chairman & Treasurer a proposed General Operating Budget and a proposed Loss Prevention Budget for his review. The Treasurer shall return to the Headquarters staff a revised proposal with his signature prior to the start of the fiscal year.

At the first quarterly Board Meeting of the new fiscal year (which shall be no later than 45 days into the fiscal year), the Treasurer will present the proposed budget to the Board of Directors for their approval.

Established July 23, 1998

Revised November 5, 2010

#### **Procedure**

The Fraternity Treasurer and the Executive Director will ensure that this policy is properly monitored and implemented.

## 3.10

### Fraternity Loan and Loan Guarantee Policy

The Board of Directors of the Delta Upsilon International Fraternity ("Board of Directors") has affirmed that the International Fraternity will consider a House Corporation or Alumni Chapter's request for a short-term loan and/or a loan guarantee (five years or less). Such loans or loan guarantees will only be considered for the conservation of properties deemed by the Board of Directors to be critical to the future success of the International Fraternity, and will typically be secured by a collateral interest in the underlying property. The Board of Directors will periodically assess its capacity to make any such loans and loan guarantees, and any request for a loan or loan guarantee under the terms of this policy will first be subject to that assessment.

The following criteria will be observed when determining whether to provide a loan and/or loan guarantee to a Delta Upsilon House Corporation or Alumni Chapter:

1. The House Corporation and the undergraduate Chapter must be current on all fees and assessments to the International Fraternity.
2. The House Corporation and the undergraduate Chapter must participate in all insurance programs established by the International Fraternity.
3. The Board of Directors will perform an evaluation of the House Corporation/Alumni Chapter's financial position and commitments before granting a loan and/or a loan guarantee, the scope of which will be determined based on the individual circumstances at the time of the request for a loan or loan guarantee. The House Corporation/Alumni chapter will provide full disclosure of any requested documents or materials.
4. The House Corporation must execute a loan agreement and/or a loan guarantee agreement, which may include a note, security agreement, mortgage and/or deed of trust with the Delta Upsilon International Fraternity evidencing the debt.
5. The House Corporation and the undergraduate Chapter will be required to report financial position on a quarterly basis to the International Fraternity throughout the term of the loan and/or loan guarantee. Annually, the House Corporation/Alumni Chapter will have an independent review conducted of their finances. The House Corporation and the Chapter must submit an annual budget to the International Fraternity for review and approval by June 1 of each year.
6. The House Corporation and the undergraduate Chapter agree to comply with: a) all applicable statutes, laws, ordinances, rules, and regulations of the International Fraternity, and federal, state, provincial, and local governments; b) the Constitution and By-Laws of the Fraternity; c) all resolutions, policies, and programs of the Fraternity; d) all applicable rules and policies of the university or college; and, e) all terms and conditions of the Loan Agreement or Loan Guarantee Agreement.
7. The House Corporation and the Chapter will not further encumber or incur any additional indebtedness in excess of five thousand dollars (\$5,000.00), whether singularly or in the aggregate, without the prior written approval of the International Fraternity's Board of Directors.
8. The Alumni Chapter will commit to working toward endowing a Chapter Legacy Plan.



### **Active Chapters**

1. Throughout the length of the loan and/or loan guarantee, the House Corporation and the undergraduate Chapter will require all individuals who reside on "chapter property" to sign yearly housing contracts.
2. The Chapter's membership roll must be equal to or greater than the men's all fraternity average on that respective campus.
3. The Chapter will meet the expectation level in all areas of the Men of Merit Standards.
4. The Chapter will have a full advisory board that meets regularly with the chapter.
5. The Alumni Chapter will make satisfactory provision for the security, maintenance and continuing viability of the underlying property.

### **Inactive Chapters**

1. There must be an agreement between Delta Upsilon International Fraternity and the University on a specific time for Delta Upsilon to return to campus.
2. The Alumni Chapter will make satisfactory provision for the security, maintenance and future viability of the underlying property.

Established October 24, 1998

Revised April 11, 2017

### **Procedure**

1. Upon receipt of a formal inquiry, the Board shall appoint a review committee.
2. The review shall analyze the loan and/or loan guarantee application and forward its recommendation to the Board of Directors.
3. The Board will consider the authorization of a loan and/or loan guarantee in accordance with the Fraternity By-Laws.
4. The Fraternity Treasurer and the Executive Director will ensure this policy is properly monitored and implemented.

## 3.11

### Permanent Trust Fund Investment Policy

#### INVESTMENT POLICY

#### DELTA UPSILON INTERNATIONAL FRATERNITY PERMANENT TRUST FUND AND DELTA UPSILON EDUCATIONAL FOUNDATION INVESTMENT PORTFOLIO

##### I INTRODUCTION

The Investment Committee is the joint committee of the Delta Upsilon International Fraternity and the Delta Upsilon Educational Foundation responsible for the investment of assets of the two organizations pursuant to its member's appointment. To assist the Committee, it is authorized to engage the services of professional investment managers, who shall be fiduciaries with respect to the Funds and who possess the necessary specialized research capabilities to manage fund assets.

The Committee has delegated investment authority to the Investment Managers who are empowered with the sole and exclusive power and authority to manage the investment assets of DUIF and DUEF, including the power to acquire and dispose of said assets, subject to guidelines and limitations herein contained and in the Investment Managers' contracts.

This Investment Policy shall be reviewed periodically by the Committee and modifications will be transmitted in writing to the Investment manager.

##### II INVESTMENT POLICY

###### GENERAL

These invested Funds shall be diversified in order to minimize the impact of large losses in individual investments. All investments shall be made in compliance with the Guidelines contained herein.

###### A. ALLOCATION OF RESPONSIBILITIES

###### 1. Committee: Asset Allocation and Liquidity

The Committee has the responsibility for establishing the basic investment policy that will guide the investment program which will include a description of the overall fund structure in accordance with a risk level they deem appropriate. The Committee is responsible to determine the Fund's liquidity needs and to engage investment managers to carry out the execution of the Investment Policy.

###### 2. Investment Managers: Execution of Policy

Each Investment Manager appointed by the Committee shall invest the portion of the assets placed under its management in accordance with this Policy, but shall apply its own

judgment concerning relative investment values. Each manager is accorded full discretion, within general and specific Investment Policy guideline limits and restrictions, to select and time individual purchases and sale transactions and to diversify assets appropriately.

## B. ASSET CLASSES AND ALLOCATION OF ASSETS

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Performance measurement will be made on a regular basis by the Committee and will include comparisons against established indexes as well as other Investment Managers for each asset class. While performance of Investment Managers will be reviewed, quantitative evaluation will normally be considered of more importance over a three to five year investment horizon. Performance shall mean the total rate of return, computed on a time-weighted basis, after all expenses. Investment managers are expected to add value after expenses to the Funds' investment return and provide performance that exceeds representative indexes and the returns of other Investment Managers with similar investment styles. The continuing compliance of all investment portfolios with Investment Policy is the specific responsibility of the Investment Manager.

## D. COMMUNICATION AND REPORTING OF INVESTMENT MANAGERS

The investment Manager is responsible for frequent and open communication with the Committee on all significant matters pertaining to investment policies and the management of the Funds assets. Each Investment Manager shall report to the Committee with respect to:

1. Changes, within the Investment Manager's view, are significant and material in the Investment Manager's outlook, investment strategy, portfolio structure and risk level.

2. Any significant changes in the investment manager's ownership, investment process, organizational structure, financial condition, senior personnel staffing, or Form ADV filed with The Securities and Exchange Commission.

3. Quarterly transactions, valuation, and performance report to coincide with the Fund's performance.

4. Any changes which the Investment Manager believes are necessary to the Investment Policy to prudently invest the assets under its management.

5. Brokerage placement practices to ensure best execution on all security transactions and the use of commissions to purchase research and other services.

6. Any material litigation brought by a client or former client of the Investment Manager relating to investment advisory services or regulatory enforcement action if the Investment Manager has been notified by a regulatory agency that it's is the subject of such enforcement action.

7. Any deviations from the Investment Policy and Guidelines governing our portfolios.

8. Any other matter that the Investment Manager believes would impact the Investment Manger's ability to Manage the portfolio of assets of that is reasonably requested in writing by the Committee.

#### E. FIDUCIARY LIABILITY INSURANCE

The investment manager shall maintain an Errors and Omissions or fiduciary liability insurance policy with a minimum coverage of 5,000,000 dollars and be registered under the Investment Advisors Act of 1940.

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##### 2. Minimum requirements

Equity investments shall be limited to securities of corporations listed on the New York Stock Exchange, American Stock Exchange, NASDAQ, and those over the counter securities of sufficient liquidity to be readily marketable. Convertible and preferred securities shall have a minimum rating of "BBB" as rated by Standard and Poor's.

## B. Tracking Stocks

These types of securities may be allowed in equity portfolios only if the Investment Manager has conducted a thorough due diligence on the specific security and has determined that the issue is an appropriate investment under the letter and spirit of this Investment Policy. Areas to be considered by the Investment Manager in the analysis to insure that DUEF and DUIF's rights as an investor shall include (but are limited to) the following:

- a. Shareholder rights to profits, either through dividends or price appreciation
- b. Shareholder protection in the event of sale or separation of the business unit.
- c. Whether shareholders have voting rights to ensure that the beneficial interest of the portfolios protected
- d. Clear guidelines as to how assets, liabilities, debts, shareholder equity, and voting rights will be allocated among the business unit and balance of the organization.

Inclusion in the portfolio will indicate that the manager has conducted such due diligence as to be satisfied that the security is appropriate for the client, and is consistent with the terms and spirit of the investment policy statement and related investment guidelines.

## 4. Diversification

Equity investment in any one company by one manager shall be limited to no more than 5% of the total equity portion of the portfolio measured at market and/or 5% of the total outstanding shares of any company, whichever is less.

## B. FIXED INCOME

### 1. Types of Securities

Fixed income investments shall mean publicly traded debt securities issued by the United States Government, agencies of the United States Government, domestic corporations, other United States financial institutions or mortgage/asset backed securities and "Yankee bonds" (debt issued by foreign entities registered with the Securities and Exchange Commission, denominated in U.S. Dollars and which trade domestically).

### 2. Minimum Quality

Debt investments are limited to the first four quality grades as established by Standard and Poor's, and Moody's. Ratings of less than BBB or respectively Baa3 are prohibited. If the issue is split rated, the lower rating governs.

### 3. Diversification

Except for U.S. Treasury and Agency obligations, including federally sponsored entities, debt investment of any one entity may not exceed cumulatively exceed 5% of the manager's portfolio based on market value. Investments in bonds rated A- and A3 shall not exceed 20% of the fixed income portfolio measured at market. Each 144A Security and Yankee Bond is limited to 10% of fixed income investments measured at market.

#### 4. TBA Securities

All investments in TBA securities shall be permitted to the extent the Cash equivalent balances to satisfy the transaction are available and held to final settlement.

#### 5. Use of 144A Securities

If the investment Manager determines that DUEF or DUIF is a qualified institutional buyer then 144A securities are allowed if they carry registration rights, the credit rating of the issuing corporation conforms to the minimum credit standard of this Policy and has a pool issue of size of 50 million dollars.

#### 6. Prohibited Securities

The investment in asset backed securities is permitted. However, the following securities are NOT permitted without prior approval of the Investment Committee:

- a) securities secured by using interest payments only as collateral and the source of repayment for a structured bond (IO)
- b) securities secured by using principal payments only as collateral and the source of repayment for a structured bond (PO)
- c. Accrual Bonds (z tranches)
- d. Inverse or Reverse Floaters with a multiplier greater than 1.00 or less than -1.00
- e. Asset pools not domiciled in the United States
- f. Collateralized Bond Obligations (CBO's)
- g. Collateralized Debt Obligation (CDO)
- h. Collateralized Loan Obligation (CLO)

#### 7. Real Estate

The portfolio may invest in real estate indirectly using commingled funds specifically designed for tax-exempt institutional investors. No direct investment is permitted.

#### 8. Cash Equivalents

a. Cash equivalents include publicly traded debt securities issued by the United States Government or agencies of the United States Government, commercial paper, certificates of deposits, savings accounts and short-term investments or money market funds of institutional quality of entities domiciled in the U.S. with maturities of fewer 180 days.

##### b. Minimum Quality

Commercial paper must be only of the highest quality (A-1 or P-1). Certificates deposit must be issued by United States banks or financial institutions which carry a similar rating in an amount qualifying under the federal insurance limits.

##### c. Short term investment funds

The investment manager will ensure that the uninvested cash balances are kept to a minimum.

## 9. General

### a. Uninvested assets

Assets held by the investment manager as liquidity or investment reserves shall, at all times, be invested in interest bearing accounts.

### b. Compliance

If any of the parameters described in this Investment Policy are violated as a result of market movements, changes in credit rating, or other events outside of the Investment Manager's control, the Investment Manager shall inform the Committee as soon as reasonably practicable. If the Investment Manager intends to hold the affected securities, he must keep the Committee fully informed of any change positive or negative as well as any change in recommendation.

### c. Derivative Securities

The Committee has determined the use of derivative securities should be controlled in accordance with the best operating standards of the securities industry and shall comply with the basic investment objectives of this policy especially in the avoidance of excessive volatility.

### d. Volatility of Returns

As a general investment guideline, the volatility of a portfolio's return as measured by the standard deviation of the benchmark index over a market cycle of three to five years.

### e. Investment Transactions

All transactions are to be governed by negotiation to achieve "best execution." The lowest commission rate does not necessarily mean "best execution". Best Execution shall include among other things, the execution capability of a broker/dealer. Responsibility for achieving best execution is retained by the Investment Manager.

f. The duty to vote proxies is delegated to the Investment Manager.

## IV INVESTMENT POLICY RESTRICTIONS

The following categories of securities and trading practices are not permissible using DUEF or DUIF funds without the Committee's prior written approval:

1. Unregistered or restricted stock
2. Rule 144A securities without registration rights
3. Derivatives except as described above
4. Foreign equity and fixed income securities, except as described above.
5. Commodities, including gold or currency futures
6. Tax exempt securities
7. Conditional sales contracts

8. Options
9. Futures
10. Warrants (except those received and distributed due to direct ownership of a company)
11. Margin buying
12. Short selling
13. Leasebacks
14. Private debt or securities except as described above
15. Annuities or Guaranteed Insurance Contracts

Established August 2, 2007

Revised April 20, 2012



### 3.13

## Fraternity Fees & Assessments for a Colony

In accordance with the Delta Upsilon International Fraternity Constitution and By-Laws, the Board of Directors annually proposes a fee structure for Colonies of the Fraternity. The proposed fee structure will be established concurrently by the Board of Directors and the Undergraduate Advisory Board.

It will be determined at the beginning of each fiscal year (on August 15) what the equivalent Canadian funds amount will be for the entire year when paying Colony fees.

Provided below is the fee structure for Colonies of Delta Upsilon.

- Colony Member Fees.....\$100 per Colony Member  
Colony Member Fees provide for the Membership Fees and the Liability Insurance Assessments for up to one (1) term after the term in which the organization is colonized. After the additional one (1) term has expired, the Members of the Colony will remit the same Membership Fees as Undergraduate Chapter Members.
- Chapter Fee  
During the term in which the Colony is colonized and for an additional one (1) term, the Chapter Fee will be waived. If the organization is a Colony beyond this time period, the Colony will remit the Chapter Fee consistent with what is required of an Undergraduate Chapter.
- Liability Insurance Assessment  
This Assessment is initially remitted as part of the Colony Member Fees. After the term in which the organization is colonized and an additional two (2) terms have expired, the Colony will remit the Liability Insurance Assessments at a rate that is equivalent to 50% of the average per man Liability Insurance Assessment.
- Chartering Fee .....\$750 per New Chapter  
Newly Installed or Re-Instated Chapters must remit to the Fraternity a Chartering Fee at the time of Installation or Re-Instatement.

Established July 30, 2000

Revised January 5, 2001; Revised July 27, 2001; Revised July 28, 2002

Revised October 29, 2004; Revised November 5, 2010

### Procedure

1. The Board of Directors will communicate with the Undergraduate Advisory Board concerning the Fraternity's fee structure.
2. The International Headquarters staff will distribute information on a regular basis to Undergraduate Colonies and Members concerning the Fraternity's fee structure for Colonies.

## 3.14

### Debt Collection Policy for Suspended Chapters

The Board of Directors approved a policy concerning strategies to secure outstanding debts/balances owed by a Chapter and the Chapter's Undergraduate Members (Member) when the Board acts to suspend a Chapter's Charter.

1. Prior to the suspension of a Chapter's Charter, the Chapter Finance Committee will utilize every means available to resolve any outstanding debt/balance owed by a Chapter and/or Undergraduate Members to the International Fraternity.
2. Upon suspension of a Chapter's Charter, the Chapter Finance Committee will review the outstanding debt/balance owed by the Chapter and/or the Undergraduate Members to determine if there are charges that may be waived from the outstanding debt/balance. This may include, but not be limited to, finance charges, late fees, etc. Waiving outstanding debts/balances owed by a Chapter or Undergraduate Members is at the discretion of the Chapter Finance Committee.
3. The Chapter and/or the Undergraduate Members will not incur any additional finance charges/late fees as of the date of the suspension of the Chapter's Charter.
4. The Chapter Finance Committee will isolate any outstanding fees or Fees that may be attributed to a specific Undergraduate Members. This may include, but not be limited to, initiation Fees, pledge Fees, member Fees, etc.
5. The Chapter Finance Committee will identify the Undergraduate Members who were considered Undergraduate Members in good standing dating back to the date of the oldest outstanding debt/balance owed. Internal records and Chapter reported data will be used to identify the Undergraduate Members.
6. Those considered Undergraduate Members in good standing dating back to the date of the oldest outstanding debt/balance owed shall be responsible for the outstanding debt/balance. As needed, the outstanding debt/balance due will be divided appropriately among the Undergraduate Members. As noted in item #4 above, those Undergraduate Members for whom specific outstanding debts/balances can be attributed, will be responsible for the specific outstanding debts/balances.
7. The Chapter Finance Committee will forward correspondence to the Undergraduate Members, outlining the outstanding debt/balance due. The Undergraduate Members will be given no less than thirty (30) days to resolve the outstanding debt/balance or file a formal appeal.
8. After the thirty (30) day period, Undergraduate Members who have satisfactorily resolved their debt/balance will be granted Alumnus Member in good standing status. The Undergraduate Members who do not satisfactorily resolve their outstanding debt/balance may be recommended for expulsion for financial delinquency to the Board of Directors.

9. The Chapter Finance Committee may further recommend that the Board execute Policy #3.4 – Fraternity Lien Procedures for a Chapter/House Corporation that has control/ownership of real property when a Chapter's Charter is suspended and an outstanding debt/balance is left unresolved at the time of the Charter suspension.
  
10. Any unresolved debt/balance will be noted and archived in the Undergraduate Member's and/or Chapter's permanent record. Should an Undergraduate Member wish to be reinstated as an Alumnus Member in good standing, he will be responsible to satisfactorily resolve his outstanding debt/balance. In addition, in the event Alumni Members of a suspended Chapter seek to re-colonize or re-instate a suspended Chapter and an outstanding debt/balance was left unresolved at the time of Charter suspension, the Alumni Members may be required to satisfactorily resolve the outstanding debt/balance owed by the Chapter to the International Fraternity.

Established July 30, 2000

### **Procedure**

The Chapter Finance Committee and the International Headquarters Staff will communicate and administer this policy.

## 3.15

### **Permanent Trust Fund Gift Acceptance Policy**

The Fraternity's Board of Directors established a uniform gift acceptance policy concerning monetary gifts to the Delta Upsilon International Fraternity

It was acknowledged that from time to time the International Fraternity receives gifts and/or bequests of cash, property, and/or stock from alumni and other sources. In those instances where the gift and/or bequest is equal to or greater than \$5,000 (US) in value, the gift and/or bequest will be deposited into the Fraternity's Permanent Trust Fund. Any gift and/or bequest that is less than \$5,000 in value may be utilized for general operations by the Fraternity.

It is further acknowledged that any gifts and/or bequests of cash, property, and/or stock from alumni and other sources to the International Fraternity are not tax-deductible according to IRS rules, regulations, and criteria.

Established April 21, 2001

#### **Procedure**

The IHQ staff will administer this policy.

## 3.16

### Financial Accounting for Receivables Policy

To ensure the International Fraternity maintains accurate financial records reflecting the state of the Fraternity's finances, the Board of Directors has established the following policy:

1. All accounts are to be categorized into one of the following categories: current, over 30 Days Past Due, over 60 Days Past Due, over 90 Days Past Due, over 120 Days Past Due, or over 180 Days Past Due.
2. Monthly, the Director of Chapter Services shall provide the staff accountant with those chapters who are delinquent in whole or in part over 90 days, indication of when collection is likely to be made. The staff accountant shall review this list with the Executive Director and the Treasurer to determine which accounts, and in what amounts, collection is doubtful, and a specific provision should be established (expensed).
3. Accounts of any age, for which a signed promissory note and payment plan has been created, shall be reflected on the financial books & records of the fraternity as "Notes Receivable." If the Chapter is complying with the terms of the promissory note and payment plan, the account will be considered current.
4. Accounts for which a signed promissory note and payment plan has been created, where a lien on property has been established, (consistent with Policy 3.4, 'Fraternity Lien Procedure') shall be reflected on the financial books & records of the Fraternity as "Secured Notes Receivable." Should one of those default, the balance s/b transferred to an account "Secured Notes Receivable in default".
5. Any recovery of debt previously 'written off,' shall be credited to the Bad Debt reserve account and recorded as "Recovered Debt"
6. "Recovered Debt" income, when received, shall be categorized consistent with the underlying income that gave rise to the debt. (e.g., 'member income' that becomes 'recovered debt' shall be classified as 'member income' when it is recovered.)

Established July 29, 2004

Revised November 5, 2010

#### Procedure

The IHQ Staff shall implement this policy.

## 4.1

### **Prayer at Chapter Meetings**

In response to questions concerning the prayers that form part of the Delta Upsilon Ritual, the Board of Directors approved the following ruling:

It is the interpretation of the Board of Directors that the prayers set forth in the Ritual of Delta Upsilon are suggested invocations rather than mandatory petitions. Alternate prayers offered during the performance of the Ritual are acceptable.

Established January 3, 1997

#### **Procedure**

The International Headquarters will communicate this policy to Undergraduate Chapters.

## 4.2

### **Little Sisters**

The Delta Upsilon International Fraternity endorses the Fraternity Executives Association resolution denouncing “Little Sisters” groups. In addition, the Delta Upsilon Board of Directors has decreed that “Little Sisters” or similar women’s auxiliary groups have no place in the Fraternity and are henceforth banned. Any chapter violating this directive will be given 10 days notice to abandon the program or the Standards Committee will issue the Chapter a Show Cause Order that will require the Chapter to appear before the members of the Standards Committee at its next meeting.

Established July 1990

Revised November 5, 2010

#### **Procedure**

The International Headquarters will communicate the policy concerning “Little Sisters” groups to Chapters and Alumni Advisors.

## 4.4

### **Legacies**

In response to alumni recommendations of Legacies, the Fraternity's Board of Directors stated that Undergraduate Chapters should consider for membership those undergraduate and alumni men who are identified as a relative of a member of Delta Upsilon. While a Chapter is not expected to extend an invitation to join the Chapter to an individual based solely on the basis of his relationship to a member of the Fraternity, the Fraternity's Board of Directors has declared that Legacies should receive the courtesy of special consideration for membership by Chapters.

Established July 1990

#### **Procedure**

The International Headquarters will communicate this policy to all chapters.



## 4.5

### Requirements for Receiving a Delta Upsilon Charter

While the Installation of a new Undergraduate Chapter is subject to many factors, the Delta Upsilon Board of Directors established the following requirements for a Colony to receive a Charter. These requirements are consistent with the Fraternity's Mandatory Chapter Standards.

For a Colony to receive a Delta Upsilon Charter, it must complete a formal petition and receive the approval of the Board of Directors. The petition must include accurate documentation that lends evidence that the noted prerequisite has been fulfilled.

1. The Colony's GPA should be at or above the All Men's Average. A comprehensive written scholarship program shall be in place to aid the colony members in their academic endeavors. A minimum GPA should be established for membership, initiation, and to hold office.

*A membership roster must be included in the petition and shall identify the following: full name, home and school addresses, major field of study, expected year of graduation, and previous term GPA and cumulative GPA.*

*Include GPA rankings provided by the university/college which details the All Men's Average, the All Fraternity Average, and the colony ranking. A written scholarship program must also be included.*

2. The Colony membership size (members and pledges) should be a minimum of 25 members and will be carefully tracked throughout the expansion/colonization process. Factors to consider will include the median fraternity size on campus, past recruitment results of the Colony, alumni support, and strength and cohesiveness of the Colony. The Colony is expected to design and implement a written recruitment plan that includes dates, events, and objectives for recruitment activities.

*Include documentation from the university/college of the average fraternity size. Include a written recruitment plan that outlines dates, types of events, and objectives and goals for the colony's recruitment activities.*

3. The Colony must implement sound fiscal practices and remain current on all financial obligations to the Fraternity, house corporation, local vendors, and the college/university. The colony shall provide the Fraternity with a copy of its annual, semester, or quarterly budget, and monthly financial statements/records.

*Include a copy of your most recent budget in the petition. The budget should include sufficient funds for Installation and Initiation ceremonies.*

4. The Colony must strictly observe the Fraternity's Loss Prevention Policies and implement a written loss prevention program.

*Include a copy of the written loss prevention program.*

5. The colony must be represented at all Regional Leadership Seminars in its Province, the annual Leadership Institute, and the annual Presidents Academy.

*List names of members and events attended during colony period.*

6. Each academic term, the Colony must complete the necessary administrative requirements for the Fraternity. These include annual and semester goal reports, financial reports, membership records,

monthly colony evaluations, and other critical information and data. Written By-Laws must be submitted to Fraternity Headquarters by the end of the first term of the Colony's existence.

*Include a copy of the Colony's By-Laws in the petition.*

7. The Colony's Executive Council shall conduct at least one organizational retreat each academic year. The function of the retreat is to facilitate the colony/officer goal setting process. The colony officers must also develop and maintain notebooks to document and support their officer duties.

*Include colony and officer goals for the upcoming semester.*

8. The Colony must have at least two alumni/faculty advisors. The Colony must meet at least once a month with its advisors.

*Provide names, addresses, and phone numbers of all alumni and faculty advisors to the Colony. Include letters of recommendation for Installation from the alumni/faculty advisor and Greek Advisor.*

9. The Colony must develop and implement a new member/membership education program that meets the vital needs of its members and supports the Fraternity's principles. The written membership education program shall include a weekly agenda of activities, scholarship programming activities, culturally enriching seminars, education on risk management and loss prevention, and shall be devoid of inappropriate activities.

*Include a copy of the written new member education program. Include a written outline of membership education activities and speakers for the members beyond pledging.*

10. The Colony should plan and execute at least two alumni/parent events each academic year and produce and distribute at least two alumni/parent newsletters each academic year.

*Provide documentation of alumni/parent events and schedules for future events.*

11. The Colony must sponsor and/or be involved in at least two service/philanthropic projects each academic year. At least one event must be sponsored solely by the Colony.

*Provide documentation of philanthropic events completed, money raised and to whom it was donated, community service hours by members and by the Colony, and any positive publicity gained by these events.*

12. It is intended that a Colony will fulfill the Fraternity's Chartering requirements within a reasonable timeframe. The Fraternity will work aggressively to ensure the Colony is prepared to petition for Chapter status within 150 days after the formal Colonization ceremony. This timeframe is designed to capitalize on the momentum of a new group and to maximize the resources dedicated to a new Colony and a new Chapter.

Established January 3, 1997

Revised November 5, 2010

## **Procedure**

The International Headquarters will communicate this policy and requirements to Colonies.

## 4.6

### Requirements for Colony Recognition

The Board of Directors affirmed its recognition of three levels of branch organizations: an Interest Group, a Colony, and an Undergraduate Chapter. In order for an Interest Group to receive Colony recognition by the International Fraternity, the Board of Directors stated that the following requirements should be fulfilled.

1. The petitioning Interest Group should have a minimum of 20 members, and should have the realistic potential to be at or above the All Fraternity Average in membership size within two years.
2. The Interest Group shall begin to develop goals and objectives for the future with DU's Four Founding Principles and philosophy in mind.
3. The Interest Group shall have an advisor and meet with this person on a regular basis.
4. The Interest Group must conduct weekly business meetings and must develop a regular Fees system and budget.
5. Individual members should become familiar with Delta Upsilon's principles, philosophy, and history by way of the colonization packet and any other supplied materials.
6. The Interest Group should develop a positive working relationship with the Greek Advisor or related Student Affairs personnel.
7. If permitted, the Interest Group should participate in IFC meetings and activities, and should uphold all IFC, university, and college standards and regulations.
8. If necessary and desirable, a strong existing near by Chapter of Delta Upsilon will assume the role of the pending Colony's Mentor Chapter.
9. The Interest Group must complete the Colony Application supplied by the International Fraternity.

Established January 3, 1997

Revised November 5, 2010

#### Procedure

The Membership Recruitment & Expansion Committee and the International Headquarters will communicate this policy and requirements to Interest Groups.

## 4.7

### **Appropriate Use of the Fraternity's Trademarks**

In keeping with the high ideals and standards espoused by the Fraternity, the Delta Upsilon Board of Directors hereby establishes a policy on proper use of the Fraternity's trademarks. "Trademarks" is used to mean the name, symbols, figures, letters, words, or marks adopted and copyrighted by the Delta Upsilon International Fraternity, Inc.

The Fraternity does not condone and will not allow its name to be associated with any event, activity, ceremony, item, product, or favor that is in conflict with the ideals and standards of the Fraternity. Examples include, but are not limited to that which is offensive to any gender, ethnicity, locale, community, etc. Additionally, the Fraternity's trademarks may not be used in a manner that is inconsistent with the International Fraternity's Loss Prevention Policies. Entities that are using the Fraternity's trademarks for purposes outside of their duties as a member must obtain the express written approval of the International Fraternity.

Established July 23, 1998

#### **Procedure**

The International Headquarters will communicate this policy to all alumni and undergraduates.

## 4.9

### Definitions of Recognized Alumni Organizations

The Delta Upsilon Board of Directors hereby affirms its recognition of five types of alumni organizations: an Alumni Club, an Alumni Chapter, an Alumni Association, a House Corporation, and a Chapter Educational Foundation. A flexible definition of each group is provided below:

1. All alumni members of a given chapter constitute the Alumni Chapter for the given Undergraduate Chapter.
2. An Alumni Association is defined as an association of members of an Alumni Chapter that advise an Undergraduate Chapter, sponsor chapter social and educational programs, and promote the activities of the Alumni Chapter.
3. A House Corporation is a corporation that owns/leases and manages A property that an Undergraduate Chapter occupies and conducts those business affairs incidental to maintaining and operating the property.
4. An Alumni Club is a group of members from various Alumni Chapters that are concentrated in a particular geographic area and come together to pursue the fraternal principles of friendship, character, culture, and justice.
5. A Chapter Educational Foundation is a 501(c)3 Educational Foundation established by an Alumni Chapter that provides educational support to an Undergraduate Chapter and members of that Chapter.

Established October 24, 1998

Revised November 5, 2010

#### Procedure

1. The International Headquarters Staff will communicate this policy to the constituents of the above mentioned entities.
2. The International Headquarters Staff will maintain a database of the all such groups that are recognized by the International Fraternity.

## 4.11

### **Support of Open Expansion**

Delta Upsilon Fraternity supports the April 2004 approval of standards for the North-American Interfraternity Conference.

Consistent with NIC rules, all chapters of Delta Upsilon shall support open expansion at their campuses. This means that both in policy and in practice, Delta Upsilon chapters shall vote for expansion of NIC Fraternity groups on their campuses.

Established October 29, 2004

#### **Procedure:**

The International Headquarters Staff will communicate this policy to the Fraternity on at least a semi-annual basis.

## 4.12

### Flag Lowering Protocol

DUIF or DUEF Board Member	One full week
Distinguished DU Recipient	One full week
Former/Current Staff Member	5-days – (Monday at 8:30am to Friday at 5pm)
Former Board Member	2-day – 8:30am to 5pm <u>the next day</u>
Former DUEF Trustee	2-day – 8:30am to 5pm <u>the next day</u>
Founders Medal Recipient	2-day – 8:30am to 5pm <u>the next day</u>

## 5.1

### Loss Prevention Policies of Delta Upsilon

The Loss Prevention Policies of Delta Upsilon include the provisions that follow and shall apply to all Fraternity entities and all levels of Fraternity membership.

#### Alcohol and Drugs

1. The possession, sale, use or consumption of ALCOHOLIC BEVERAGES, while on chapter premises, during a Fraternity event, in any situation sponsored or endorsed by the chapter, or at any event an observer would associate with the Fraternity, must be in compliance with any and all applicable laws of the state, province, county, city and institution of higher education, and must comply with either the BYOB or Third Party Vendor Guidelines.
2. No alcoholic beverages may be purchased through chapter funds nor may the purchase of same for members or guests be undertaken or coordinated by any member in the name of or on behalf of the chapter. The purchase or use of a bulk quantity or common sources of such alcoholic beverage, e.g. kegs or cases, is prohibited.
3. OPEN PARTIES meaning those with unrestricted access by non-members of the Fraternity, without specific invitation, where alcohol is present shall be prohibited.
4. No members, collectively or individually, shall purchase for, serve to, or sell alcoholic beverages to any minor (i.e., those under legal "drinking age").
5. The possession, sale or use of any ILLEGAL DRUGS or CONTROLLED SUBSTANCES while on chapter premises or during a Fraternity event or at any event that an observer would associate with the Fraternity is strictly prohibited.
6. No chapter may co-sponsor an event with an alcohol distributor, charitable organization or tavern (tavern defined as an establishment generating more than half of annual gross sales from alcohol) where alcohol is given away, sold or otherwise provided to those present.
7. No chapter may co-sponsor or co-finance a function where alcohol is purchased by any of the host chapters, groups or organizations.
8. All rush activities associated with any chapter will be a DRY rush function.
9. No member shall permit, tolerate, encourage or participate in "drinking games."
10. No alcohol shall be present at any pledge/ associate member/novice program, activity or ritual of the chapter.

#### Hazing

No chapter, colony, student, alumnus, or employee of the Fraternity shall conduct hazing activities. Hazing activities are defined as: "Any action taken or situation created, intentionally, whether on or off Fraternity premises, to produce mental or physical discomfort, embarrassment, harassment, or ridicule. Such activities may include but are not limited to the following: use of alcohol; paddling in any form; creation of excessive fatigue; physical and psychological shocks; quests, treasure hunts, scavenger hunts, road trips or any other such activities carried on outside or inside of the confines of the chapter house; wearing of public apparel which is conspicuous and not normally in good taste; engaging in public stunts and buffoonery; morally degrading or humiliating games and activities; and any other activities which are not consistent with academic achievement, fraternal law, ritual or policy or the regulations and policies of the educational institution, or applicable state/provincial law."

#### Sexual Abuse

The Fraternity will not tolerate or condone any form of sexist or sexually abusive behavior on the part of its members, whether physical, mental or emotional. This is to include any actions that are demeaning to women and/or men including but not limited to date rape, gang rape or verbal harassment.

#### Physical Abuse

[Type text]



No member shall resort to or engage in any physical acts of violence of any kind against another individual or any acts of vandalism of any kind against another person's property for any reason, except for the purpose of the defense of one's self or one's own property and to the limited extent that the law would otherwise permit.

### **Fire, Health and Safety**

1. All chapter houses should meet all local fire and health codes and standards
2. All chapters should have posted by common phones emergency numbers for fire, police and ambulances and should have posted evacuation routes on the back of the door of each sleeping room.
3. All chapters should comply with engineering recommendations as reported by the insurance company.
4. The possession and/or use of weapons of any kind within the confines and premises of the chapter house is expressly forbidden. The term "weapon" means any object, substance or chemical designed or intended to inflict a wound, cause injury or incapacitate, including but not limited to, all firearms, pellet guns, switchblades, knives and knives with blades five or more inches in length, or dangerous chemicals.

### **Education**

Each chapter shall instruct its members and alumni in the Loss Prevention Policies of Delta Upsilon and FIPG, Inc. Additionally, all student and alumni members shall annually receive a copy of said Loss Prevention Policies.

### **Reporting**

Each chapter shall report promptly each failure to adhere to any of these policies to the Fraternity. Self-reporting of loss prevention violations and the steps taken to address the violation will be considered positive factors in the deliberations of the Fraternity when reacting to violations of these policies.

Established November 1990

Revised July 1996

Revised July 1998

Revised October 2000

Revised April 12, 2003

Revised November 5, 2010

### **Procedure**

1. The International Headquarters will communicate these policies to all chapters, alumni chapters, and colonies.
2. The International Headquarters will facilitate the implementation of these policies.

## 5.2

### **Participation in the Fraternity's General Liability Insurance Program**

To ensure the long-term stability of the Fraternity's Comprehensive Loss Prevention and General Liability Insurance Programs, the Delta Upsilon Board of Directors has established a policy that requires that all Chapters currently participating in the program remain in the program. Those Delta Upsilon alumni chapters and/or house corporations that maintain and/or own a property that does not house a Delta Upsilon chapter shall be required to participate in the Fraternity's Comprehensive Loss Prevention and Liability Insurance Programs. In order to operate successful Comprehensive Loss Prevention and General Liability Insurance Programs, all current and future Chapters and Colonies that participate in the Fraternity's General Liability Insurance Program must continue to participate until such time as the Fraternity determines it is no longer vital to the Fraternity's existence.

Established January 5, 1996

Revised March 25, 2000

#### **Procedure**

The International Headquarters will communicate and implement this policy.

## 5.3

### **General Liability Insurance Program and Non-Participating Chapters**

It is the view of the Fraternity's Board of Directors that it is important to verify that all chapters of Delta Upsilon have the appropriate and adequate general liability insurance coverage. Further, the Board of Directors acknowledges that presently one (1) Undergraduate Chapter does not secure general liability insurance coverage through the Fraternity's program. This includes the Colgate Chapter. This Chapter will be required to meet the following criteria on an annual basis:

1. The Chapter must have general liability insurance that has equal or greater coverage limits to that secured by the International Fraternity.
2. "The Delta Upsilon International Fraternity and all of its subsidiaries as they appear" must be specifically named as an additional insured on the policy.
3. Chapters are required to provide to the International Headquarters a complete (full and certified) copy of the general liability insurance policy within 45 days of renewal, in addition to a Certificate of Insurance within 5 working days of renewal and meet the requirements of #1 and #2 above.
4. The chapter must be current on the Loss Prevention Assessment Fees.

If the above conditions are not completely fulfilled, the chapter officers and alumni chapter officers will be informed that the Chapter will be required to effectively immediately fully participate in the Fraternity's Comprehensive Loss Prevention and General Liability Insurance Programs and remit all applicable Loss Prevention Assessment Fees.

Established March 30, 1996

Revised October 14, 2000

#### **Procedure**

The International Headquarters will communicate and implement this policy.

## 5.4

### **Delta Upsilon Crisis Response Policy**

The Delta Upsilon Board of Directors has established flexible guidelines for responding to crises that arise from operation of the Fraternity. The following steps will serve as a general procedure for response to a crisis situation. Within 24 hours of an incident:

1. Establish the facts of the incident.
2. Determine whether staff member needs to be dispatched.
3. Determine an appropriate spokesperson.
4. Notify the Fraternity's insurance broker.
5. Contact the Greek advisor, local chapter representatives, alumni, and local authorities as needed.
6. Obtain copies of relevant materials (i.e., police reports, hospital reports, media pieces).
7. Notify internal parties.
8. Hold meeting with chapter
9. Determine whether to secure legal representation.
10. Determine whether to contact injured party or guardians.
11. Hold conference or release statements as needed.
12. Report to all parties as needed.

Established July 23, 1998.

Revised November 5, 2010

#### **Procedure**

The Executive Director and International Headquarters Staff will implement this policy.

## 5.5

### **Delta Upsilon Alcohol-Free Housing Policy**

1. The Alcohol-Free Housing Policy shall prohibit any alcoholic beverages on the property and premises in which an Undergraduate Chapter is housed whether owned, rented, or leased by that Chapter, or any alumni organization affiliated with or related to that Chapter.
2. Chapters located on campuses that impose an alcohol-free housing requirement shall be required to implement the Delta Upsilon Alcohol-Free Housing Policy. All Chapters shall continue to abide by the Fraternity's Loss Prevention Policies and the laws, policies, and regulations of the state, province, county, city, and host institution.
3. The Board of Directors strongly encourages all Chapters to voluntarily implement the Fraternity's Alcohol-Free Housing Policy as part of the Chapter's efforts to achieve the Fraternity's *Standards of Excellence*.  
The Fraternity's Standards Committee may require a Chapter to implement the Alcohol-Free Housing Policy as defined above.

Established August 19, 1998

Revised November 6, 1999

Revised November 5, 2010

#### **Procedure**

The Standards Committee and the International Headquarters will communicate and implement this policy.

## 5.6

### **Compliance With Loss Control Inspection Recommendations**

To ensure the safety of Delta Upsilon's undergraduate chapter facilities, the Fraternity's Loss Prevention Program provides for a General Liability Inspection of each chapter facility approximately once every three years. The Delta Upsilon Board of Directors hereby establishes a policy that requires all Undergraduate Chapters and House Corporations that rent, lease, or own a chapter facility to address each of the recommendations provided in a General Liability Inspection Report either by implementing any given recommendation or by demonstrating to the Fraternity why certain recommendations cannot be implemented in a timely fashion or at all. The Fraternity will continue to work with the Undergraduate Chapters and House Corporations to ensure the safety of our brothers, and will assist whenever possible to address the recommendations set forth in a General Liability Inspection Report.

Established October 24, 1998

Revised October 14, 2000

#### **Procedure**

The International Headquarters Staff will communicate and implement this policy.

## 5.7

### Management of Claims and Lawsuits

In order to effectively manage claims and lawsuits against the Fraternity, the Board of Directors hereby establishes a policy that delineates the procedures for the handling of claims and lawsuits received by the Fraternity.

#### Upon Official Notice of a Lawsuit or Claim

1. Within three (3) days of notice of a lawsuit or claim, the Fraternity shall forward a copy of the notice to the Fraternity's Third Party Claims Adjuster (TPCA) and the Fraternity's insurance broker a copy of the notice. The TPCA will be requested to:
  - Identify legal counsel if necessary;
  - Establish an initial indemnity reserve in accordance with the nature of the incident; and,
  - Notify the insurance carrier and provide a written confirmation that all of the previous have been completed.
2. As necessary, the TPCA shall retain appropriate legal counsel within five (5) days of receipt of the notice by the TPCA.
3. Upon selection of legal counsel, the TPCA will request counsel to provide TPCA and the Fraternity with:
  - A defense strategy recommendation;
  - An initial assessment of the defense of the claim or lawsuit; and,
  - An exposure analysis based on a review of recent jury verdicts.
4. Within forty-five (45) days of the appointment of legal counsel, the TPCA will request legal counsel to provide a report on progress and any new information, and provide an updated litigation budget. The same will be requested every thirty (30) days after the initial report. These reports are to be provided to both the TPCA and the Fraternity.
5. Within forty-five (45) days of the appointment of legal counsel, the TPCA will request legal counsel where appropriate, if grounds exist, and in accordance with generally accepted procedures, to immediately seek to have Delta Upsilon International Fraternity (and any other parties for which such a strategy is appropriate) dismissed by a dispositive motion. Priority shall be given to a strategy that seeks a dismissal of the International Fraternity, an Alumni Chapter, House Corporation, and a Chapter named in any lawsuit.

#### Settlement of a Claim or Lawsuit before Trial

1. Generally, the Fraternity desires to participate in settlement proceedings in any case in which the Fraternity, any of the Fraternity's Officers and Directors, any Chapter or Alumni Chapter, or any House Corporation is a named defendant and to be involved in any settlement negotiations.

2. Any settlement of any lawsuit or claim in which the Fraternity, any of the Fraternity's Officers and Directors, any Chapter or Alumni Chapter, or any House Corporation is the named defendant shall include (where permitted by law):
  - A requirement that the plaintiff provide a complete, final, and full release of any claims against all Fraternity defendants;
  - A statement that the Fraternity defendants do not admit liability of any disputed claims;
  - A confidentiality provision prohibiting any statement about the lawsuit or settlement beyond the fact that it was settled and a requirement that all discovery obtained in the course of the lawsuit or claim remain confidential;
  - A requirement that all medical liens or other liens be fully satisfied by the plaintiff; and,
  - A requirement that the plaintiff agree to defend and hold harmless the Fraternity defendants harmless from and against any lien holders.

Established October 24, 1998

Revised October 14, 2000

### **Procedure**

The International Headquarters staff will communicate and implement this policy.



## 5.8

### **Liability Insurance for Automobiles not Fraternity-owned**

In response to the expectations of Delta Upsilon's insurance providers in regard to automobiles that are used on Fraternity business by employees and volunteers of the Fraternity, the following shall apply:

1. Volunteers and employees of the Fraternity are responsible for keeping their automobiles in good working order.
2. Volunteers and employees are responsible for maintaining minimum auto liability limits of:
  - a. \$100,000 per person bodily injury
  - b. \$300,000 bodily injury aggregate per incident
  - c. \$50,000 property damage aggregate per incident, or
  - d. \$250,000 combined single limit

The Fraternity provides no auto liability protection for volunteers or employees who operate their own automobile on the business of the Fraternity. Volunteers and employees are encourage to purchase auto liability limits that they believe are appropriate to protect their interests should they be involved in a car accident while driving on business of the Fraternity.

Established April 12, 2003

## **Policy 5.9**

### **General compliance with all Federal, State, and local laws**

All activities of all Delta Upsilon chapters and colonies must be in compliance with all Federal, state, and local laws at all times.

Established October 18, 2003

## **Policy 5.10**

### **Contract Review**

Contract review is vitally important to the security of the Fraternity. As such, no Undergraduate Chapter, Alumni Chapter, other Alumni Group, or representative of any of the groups mentioned may enter into a contract obligating or binding the General Fraternity in any way (financially or otherwise) without prior written approval from the International Headquarters staff.

Established August 4, 2011

## Policy 5.11

### Delta Upsilon Claim and Dispute Resolution Plan

#### 1. Purpose

The Delta Upsilon Claim and Dispute Resolution Plan is designed to provide the efficient, speedy, fair, and cost effective resolution of any disputes between the Delta Upsilon International Fraternity, the Delta Upsilon Educational Foundation, and any of its members related to or arising out of the membership relationship or participation in Fraternity activities. This includes, but is not limited to, any legal disputes which any present or former Delta Upsilon Fraternity member may assert against the Fraternity, its university or college affiliated chapters, or any of the officers, directors, present and former members, pledges, or associate members of the Fraternity. The intention of the Plan is to create an exclusive procedural mechanism for the resolution of disputes. It does not reduce or enlarge substantive rights available under existing law.

#### 2. Definitions

- A. "Arbitration" means any federal or state recognized arbitration procedure or any similar local group of arbitrators selected to resolve disputes under the Plan.
- B. "Sponsor" means Delta Upsilon International Fraternity, Inc., Delta Upsilon Educational Foundation, Inc., and any parent, subsidiary, or affiliated organizations, as well as college, university, and affiliated chapter organizations across the United States.
- C. "Act" means the Federal Arbitration Act, 9 U.S.C. § 1 *et seq.*, as amended from time to time.
- D. "Fraternity" means Delta Upsilon International Fraternity, Inc., Delta Upsilon Educational Foundation, Inc., all local, college, and university affiliated Delta Upsilon chapters across the United States, all Delta Upsilon chapter housing corporations and alumni associations, every student chapter of Delta Upsilon, as well as all of any of these organizations' officers, directors, members, and agents.
- E. "Claim" means any legal or equitable claim, demand, or controversy for any injury, equitable relief or damage arising out of any wrongdoing, statute, or contract breach involving the Fraternity. This includes, but is not limited to, any allegation of negligence, intentional act, hazing, defamation, libel, slander, discrimination, or any type of wrongdoing whatsoever.
- F. "Dispute" means a claim, demand, or controversy to which this Plan applies between the persons bound by this Plan and any person or anyone otherwise entitled to the benefits of this Plan.
- G. "Member" means any initiated member, new member, pledge, associate member, new initiate, existing member, alumnus, or former member of Delta Upsilon Fraternity.

H. "Plan" means this Delta Upsilon Claim and Dispute Resolution Plan, as amended from time to time.

**3. Application and Coverage**

- A. Until revoked by the Fraternity, this Plan applies to and binds the Fraternity and each member on or after the Effective Date of this Plan, as well as the heirs, beneficiaries, and assignees of any such person. All such persons shall be deemed parties to this Plan.
- B. Except as expressly provided for, this Plan applies to any legal or equitable claim, dispute, demand, or controversy, in tort or contract, under any local, state, or federal statute, or any allegation of violation of any legal obligation or duty, between the persons bound by this Plan, or between a person bound by the Plan or any person or entity entitled to its benefits, which relates to, arises from, concerns or involves in any way any Claim or Dispute as defined herein arising out of or involving the Fraternity or any Fraternity activity.
- C. This Plan does not apply to claims for workers' compensation benefits or unemployment compensation benefits.

**4. Resolution of Disputes**

All disputes not otherwise settled by the parties shall be finally and conclusively resolved under this Plan.

**5. Amendment**

This Plan may be amended by the Fraternity at any time, but no amendment shall apply to a dispute which is the subject of a pending Arbitration at the time of any such amendment.

**6. Applicable Law**

- A. The Federal Arbitration Act shall apply to this Plan and any proceedings under this Plan, including any actions to compel, enforce arbitration, confirm or vacate arbitration proceedings and awards, and any other action in reference to Arbitration under the Plan.
- B. Other than as provided herein, the substantive legal rights, remedies, and defenses of all parties are preserved in any Arbitration, and the arbitrator shall have the authority to determine and implement the applicable law and order any and all relief, legal or equitable, including damages, which a party could obtain from a court or competent jurisdiction from which the Claim or Dispute arose.

**7. Exclusive Remedy**

Proceedings under this Plan shall be the exclusive, final, and binding method by which any and all disputes, claims, and controversies are resolved. As such, the institution of Arbitration proceedings under this Plan shall be a condition precedent to the initiation of any legal action against the Fraternity arising out of membership or participation in the Fraternity activities by a member, and any such legal action shall be limited to those under

the Act. In the event any person bound by this Plan initiates legal proceedings, such member consents to the initiation of a motion to compel Arbitration or similar filing in the state of Indiana on behalf of the Fraternity.

**8. Effective Date**

The Effective Date of this Plan is April 4, 2014.

**9. Severability**

The terms of this Plan are severable, that is, the invalidity or unenforceability of any provision shall not affect the application of any other provisions. Whenever possible, any invalid provision of the Plan will be reformed and enforced.

**10. Consent and Assent**

By affiliating with Delta Upsilon Fraternity, either through pledgeship, membership, associate membership, or otherwise becoming a new member or continuing membership after the Effective Date, all persons covered by this Plan agree to and consent to be bound by both this Plan during their membership and after termination of their membership.

Established April 4, 2014

Revised August 1, 2014