

# PHI MU DELTA FRATERNITY

## HOUSE CORPORATION MANUAL



Prepared by the Phi Mu Delta Housing Committee

Reference material provided from the Delta Tau Delta Fraternity and Chi Phi Fraternity Housing Corporation manuals.

# PREFACE

As a House Corporation made up of volunteer members of Phi Mu Delta, you represent one of the most important resources of the Fraternity.

Primarily, your corporation is the landlord of a chapter house.

You provide, maintain, and manage a major asset in the form of real estate, leasing to undergraduate members. This makes it necessary for you to be involved in certain chapter decisions affecting the use of that asset.

House corporations are businesses and must operate as such.

Yet, the National Fraternity realizes that you, as volunteers, have limited time to spend in this service to Phi Mu Delta.

This comprehensive Manual is designed to assist you wherever necessary by providing answers to questions concerning all phases of your corporation's activities.

It is a reference book, meant to be read selectively, not as a single entity.

In preparing the Manual, the Fraternity's Housing Committee has anticipated a wide range of experience among readers - from alumni groups just organizing a house corporation to those with long records of service.

Examples and specific samples are provided wherever possible.

Our sole purpose is to help you, as a house corporation, be successful in both the short and long terms. Please contact the Director of Housing, Michael E. Luffred, with any questions.

*We would like to thank the original members of the Housing Committee for writing this manual and especially Eric Etkin, MZ for editing the final document.*

*Michael E. Luffred, Mu Epsilon '94 - Chairman*

# **THE PURPOSE OF A HOUSE CORPORATION**

## **The Role Of The House Corporation**

- Develop Strategic Long Range Plan For House Corporation And Work With Chapter To Develop Its Plan
- Set Priorities For The House Corporation And Work With Chapter To Identify Its Priorities
- Foster An Active vs. Reactive Relationship With Chapter
- Analyze The Long Term Physical Plant Needs Structurally And Financially
- Establish Timetables For Implementation Plans
- Develop A Commitment To Carry Out Plans By Expressing The Needs And By Demonstrating With Actions
- Provide Continuity And Liaison To Chapter By Identifying Good Advisors And Getting Them To Work With The Chapter
- Acclimate New Board Members And Share Accomplishments And Future Objectives
- Be A Good Role Model

## **The Responsibilities Of The House Corporation**

- Act As A Titleholder For The Property
- Meet Requirements Set Down By National Organization To Operate
- Meet Requirements Set Down By The University Or College
- Collect And Disburse House Corporation Funds In Reasonable Time Framework
- Determine And Carry Out Capital Improvements On The Timetables As Planned And When Promised

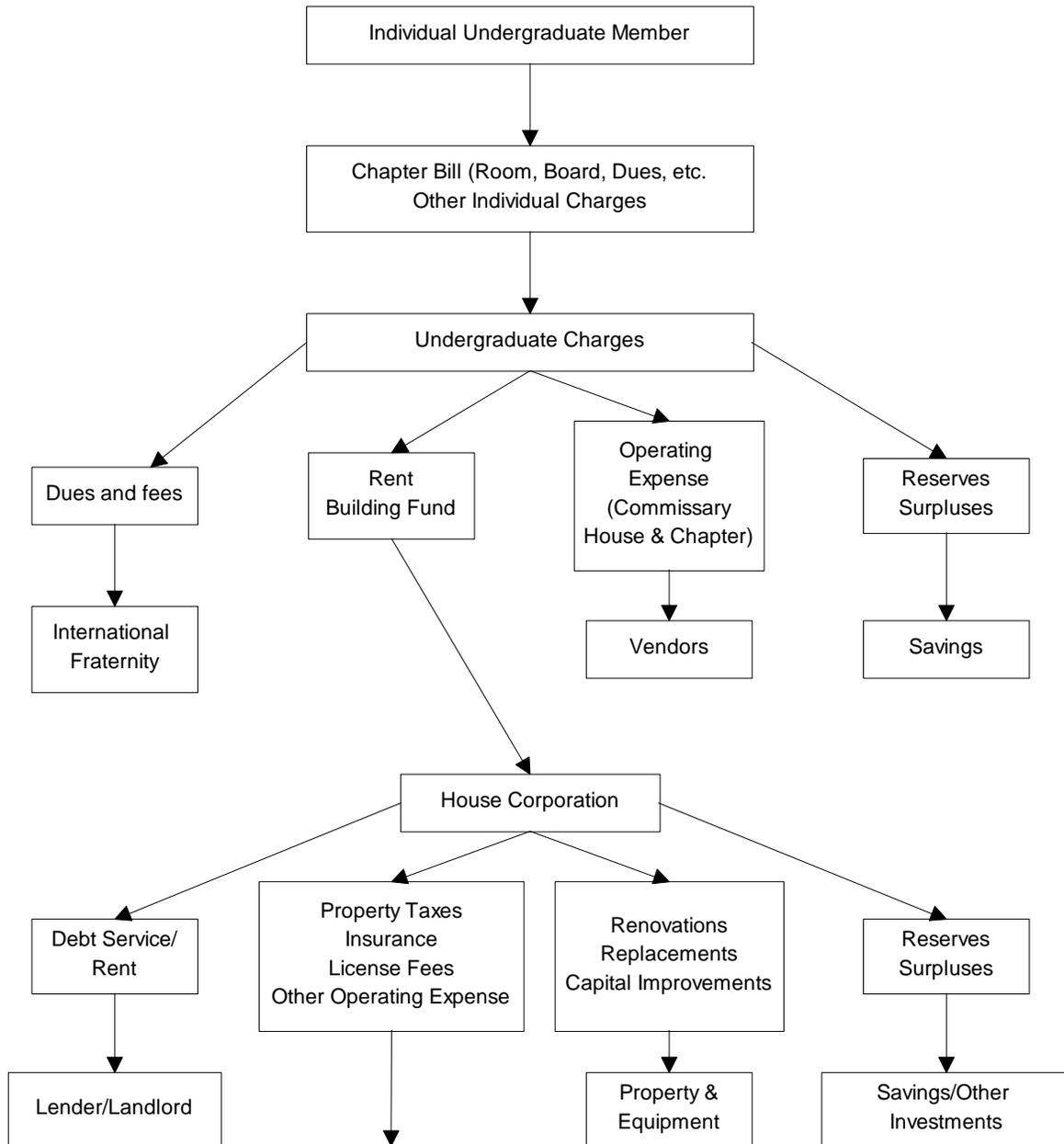
- Identify Undergraduate/Alumni Volunteers Who Are Willing To Serve On Greek Or University Committees, That Will Represent Reasonable Viewpoints Which Will Inform Yet Impact Positively On The Organization
- Select Board Members Who Themselves Are Good Role Models And Whom Undergraduates Can Identify With And Would Like To Emulate

## **The Relationship Between The House Corporation And The Chapter**

- Analyze The Financial Needs Of The Chapter And Identify Workable Financial Goals
- Assist In Establishing A Firm Financial Criteria For Chapter Operations And Work Closely With Them To See It Is Carried Out
- Review Chapter's Collection, Bad Debt and Disbursement Procedures
- Review With Chapter Alcohol And Drug Policies, Help Make The Policy Known And Review Enforcement
- Review With Chapter Fire, Safety And Health Codes For The Property
- Recommend Continuity Guidelines To Insure Steady, Even Perpetuation Of The Chapter And Its Operations

*(Portions of this section were reproduced from MC conference materials "The Interworkings of an Effective House Corporation", Thomas W Devine, February 27, 1988.)*

# THE BASIC RELATIONSHIP BETWEEN THE CHAPTER AND ITS HOUSE CORPORATION



# CORPORATION STRUCTURE

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# CORPORATION STRUCTURE

## Importance of Incorporating and Maintaining the Corporate Status of the House Corporation

**QUESTION:** *Does it really matter if the "House Corporation" is incorporated? Or, even though initially incorporated, is there any significance that the corporation is not "in good standing" with the State, or that it has been "dissolved" for non-filing, or is it significant that the House Corporation fails to operate as a corporation under its Bylaws and fails to comply with other corporate factors such as maintaining minutes, financial records?*

**ANSWER:** *YES! There are great advantages in being incorporated and in maintaining the corporate status. Failure to comply with the above may result in denial of corporate status and its protection. The major factor is in limiting personal liability of the Directors, Officers and Members of the Alumni and undergraduates, e.g., as to contract and tort (negligence) liability, certain tax liabilities, etc.*

### ADVANTAGES OF INCORPORATION

1. Provides a legal and organizational structure;
2. Provides established methods of governing the organization to include the election of the Board of Directors, membership and voting rights, and providing for established duties and obligations of Officers, Directors and members;
3. Provides a stable structure, being usually of perpetual duration;
4. Limits legal liability of Officers, Directors and members arising out of contract or out of tort (*for example, negligence*) liability;
5. Provides as a practical matter, a more readily recognizable entity to the business community and state and federal authorities, to include qualification as a "not for profit" entity at the state and federal level. This would include greater acceptability upon application as a 501(c)(7) organization.

## Legal Checklists

**Articles of Incorporation (State Charter):** Are you incorporated? If not, see the section on Incorporation of the "House Corporation."

If incorporated, do you have a current certified copy of your Articles of Incorporation (*state charter*) from the Secretary of State? Do you have all Amendments to the Charter, if any? Are the Articles in compliance with current law and does it contain available "safeguard" provisions (e.g., director immunity for not for profit corporations). The Articles and amendments will be on record with the Secretary of State; if you do not have a current copy, contact the Secretary of State and obtain a copy and have the House Corporation attorney review it.

**Annual Return filing with State:** Is your House Corporation in "good standing" with the Secretary of State? (*i.e., have you filed annual returns each year and paid the annual fee?*) Telephone the Secretary of State and determine status. Many states will "dissolve" your corporate status for non-filing of annual returns or for failure to pay required fees. You may think you are incorporated but you may have been dissolved by the Secretary of State.

If you have been dissolved, you will be treated as an unincorporated association which would generate all the problems and potential personal liabilities arising out of any other unincorporated entity.

If you find your House Corporation has been administratively dissolved for non-filing or nonpayment, you may be able to reinstate the corporate status within a certain period of time following dissolution. You should be able to determine this from the Secretary of State's office. If such period has elapsed, this will require immediate re-incorporation. You should consult your lawyer in arranging for the legal requirements.

Additionally, the annual return filed with the Secretary of State designates a "registered agent" for legal service of process (*lawsuits*) and a "principal business address" of such agent. Contact the Secretary of State to insure that this person and address is currently correct. A wrong agent or wrong address may result in significant legal liabilities. The annual return form is mailed each year to such registered agent at the address indicated. If not correct, you will not receive the forms with the consequent result of potential dissolution.

**Bylaws:** Do you have a copy of current Bylaws and all Amendments? Review these to determine that you are complying with all requirements of the Bylaws. If changes are needed, comply with amendment requirements. If you do not have a set of Bylaws, obtain

such from your House Corporation attorney. (See sample Bylaws attached)

**Minutes:** Do you have a copy of prior Minutes of the Board of Directors Meetings and Annual Meetings of the Members? You must maintain such Minutes and preserve such records. This is a requirement to maintain your corporate status. Failure to maintain such Minutes and records may constitute a factor in exposing the corporate status to attack by others seeking personal liability.

**Other state filing:** Is the corporation meeting any other filing obligations (i.e., quarterly wage withholding reports)?

**Federal Filings:** Is the corporation qualified as a 501(c) organization? Do you have a copy of the IRS form 1024 application for qualification as to 501(c) (7) corporation which should have been filed? If uncertain, contact the IRS. Do you have a Federal Identification Number? Has the corporation filed IRS Form 990 for each preceding year? See filing exemption requirements. Consult with your House Corporation attorney. There is \$10.00 per day penalty for late or non-filing; the IRS has recently been strictly enforcing these penalties. If you have been assessed contact the Executive Vice President at the Central Office in Indianapolis as to procedures to appeal these penalties and the obtaining of waivers.

**Contracts:** All contracts should be signed by the Officers of the Corporation as follows:

*[Name of House Corporation]*  
By: \_\_\_\_\_  
*[Signature of Officer]*  
President/Vice President/Treasurer  
*(as applicable)*

Failure to sign expressly on behalf of the corporation in your representative capacity may result in personal liability being imposed upon the signing officer. All contracts should be signed in the corporate name.

**Lease with Undergraduate Chapter:** Does the House Corporation have a current lease with the undergraduate chapter? If not, do so. A sample form of lease is attached hereafter. Additionally, insure that the undergraduate chapter has a sub-lease with each undergraduate member. A sample of such a sub-lease is attached hereafter.

**Insurance:** Do you have a copy of all insurance which is in place? Who are the named "insureds". Are the officers, directors, alumni, chapter advisor listed? This would include liability, property damage and workmen's compensation *(to the extent of any employees)*.

A major source of potential liability is when an undergraduate chapter or a house corporation fails to maintain workmen's compensation insurance as to its employees if otherwise required by state law. Failure to do so may result in criminal and civil liability as to the individual officers, directors and members. Such liability is non-dischargeable in bankruptcy and may become a personal liability of the controlling officers. Review with your attorney to insure compliance. See discussion on insurance.

**Financial Records:** Who has copies of bookkeeping, financial and banking reports? Is an annual report made to the House Corporation? Have you filed annual reports with the Central Office? Two officers should review and audit income and expenditures.

Is the annual report, income and expense reviewed annually by someone in addition to the Treasurer? These procedures are important. Is there a proposed annual and long-term (5 year) budget projection? Is there a capital reserve for emergencies or capital replacement?

## **Responsibilities of Directors and Officers**

In performing your duty as an officer or director as set out in the Bylaws, you must act properly in your actions and decisions. The fundamental responsibility of officers and directors of a "not for profit" corporation is to represent prudently the interests of the organization's members and the goals of the organization in directing the business and affairs of the organization within the law.

There are three basic duties in performing the above responsibilities:

1. Each Board Member and Officer has a duty of diligence. The Director's and Officer's individual actions must be with the care that a reasonably prudent person in a similar situation would use under similar circumstances. In the exercise of such care, each Director and Officer must perform his duties in good faith and in a manner that he reasonably believes to be in the best interest of the organization. Each Director and Officer must obtain all material information reasonably available to them. Thus, there is not only a duty of reasonable behavior but a requirement that there must be reasonable inquiry and monitoring of corporate affairs.
2. Each Board Member and Officer has a duty of loyalty. It is required that Officers and Directors refrain from engaging in personal activities which would injure or take advantage of the organization. The use of a Director's or Officer's position of trust and confidence to further their private interest is prohibited. Generally, this duty requires unselfish and undivided loyalty to the organization and demands that there be not

conflict of self-interest.

The Directors and Officers shall not realize secret profits or unfair gain through personal transactions with, or on behalf of, the organization;

The Directors and Officers shall not compete with the organization to its detriment;

The use of material non-public information may not be used to realize personal gain;

Directors and Officers shall avoid even the appearance of a conflict of interest;

Directors and Officers shall avoid usurping an opportunity of the organization.

3. Each Board Member and Officer has a duty of obedience. Directors and Officers shall perform their duties in accordance with the terms of the organization's charter, Bylaws and applicable statutes.

## **Incorporation of the A House Corporation**

### **The First Step in the Creation of the Corporate Structure Is to Prepare and File Articles of Incorporation with the Secretary of State of Your State.**

The Articles of Incorporation (*state charter*) establishes the statutory structure and the basic legal authority of the organization. A sample Articles of Incorporation is provided for reference only. You should consult with your attorney to insure compliance with your state laws on requirements as to the Articles.

In addition to state law requirements you should insure that the IRS requirements for a Section 501(c) (7) organization are included in the Articles. One important provision that must be contained in the Articles is the statement that one of the "primary" purposes of the organization is "to provide fraternal and social activities for its members and undergraduates", in addition to owning, operating and leasing residential facilities to the undergraduates. Many times this comes up on audits or upon the initial application for exemption. Your counsel should review the requirements for IRS Form 1024, "Application for Exemption under Section 501(c)(7)" prior to filing incorporation documents.

The Articles of Incorporation usually contains the following:

- X Name of Corporation;
- X Status as a "not for profit" corporation;
- X Duration of existence, usually, "perpetual duration" in;
- X Status as a Section 501(c) (7) organization (see sample paragraphs);
- X Establishment of membership criteria, voting rights;
- X Creation of initial board of directors, method of future selection by election, self perpetuating board, (i.e. the board itself elects itself and fills future vacancies or board elected annually by members who would be alumni);
- X Distribution of assets upon dissolution;
- X Sometimes you may include officers and director duties; these duties are usually included in the Bylaws.

# SAMPLE ARTICLES OF INCORPORATION

## ARTICLES OF INCORPORATION

1.

That the name of said Corporation shall be CORPORATION.

2.

The Corporation shall have perpetual duration.

3.

The Corporation is organized pursuant to the *[NAME OF STATE]* Not-For-Profit Corporation Code.

4.

Said Corporation is not organized for pecuniary gain or profit and shall have no capital stock; but shall be a membership corporation. No part of the activities of the Corporation shall consist of carrying on propaganda or otherwise attempting to influence legislation. No part of the revenues or net earnings or other income of the Corporation shall enure to the benefit of any members or any other private individual. Nothing in here shall prevent payment for reasonable compensation to such members or individuals for services rendered to the Corporation. Should the Corporation be dissolved at any time, no part of its funds or property shall be distributed to or among its members but said funds or property shall be paid or transferred to Phi Mu Delta Fraternity as Trustee, presently located at 11711 North Meridian Street, Suite 100, Indianapolis, IN 46032 for the benefit and use of a successor \_\_\_\_\_ Chapter to be located at \_\_\_\_\_ University. In the event that a successor Chapter is not reestablished at said University within twenty (20) years of the dissolution of the Corporation, then said funds shall be released from said Trust and to be used for the general benefit of Phi Mu Delta Fraternity as determined in the sole discretion of Phi Mu Delta Fraternity.

The general object of the Corporation is to incur, promote, assist, finance, administer and execute programs and opportunities, fraternal, social and educational, for said fraternity chapter, its members and alumni, and in the furtherance of the same, to hold legal and equitable title to realty and personalty which is devoted to the use and benefit of

\_\_\_\_\_ Chapter of Phi Mu Delta Fraternity, located at [SCHOOL, CITY, STATE].

6.

The principal office of said Corporation is presently in \_\_\_\_\_ County, [NAME OF STATE].

7.

The members of said Corporation shall be persons admitted to membership in \_\_\_\_\_ Chapter of Phi Mu Delta Fraternity (*whether by formal initiation or formal affiliation as provided under the rules and regulations of Phi Mu Delta Fraternity*) and such other members of Phi Mu Delta Fraternity who are so admitted, by a majority vote of both the Board of Directors and the members of the Corporation present at a duly called meeting. Additionally, said persons must be at least twenty-one (21) years of age with a paid-up loyalty fund and graduated from [NAME OF UNIVERSITY], or a person who is at least twenty-one (21) years of age, not currently an undergraduate, who has paid their loyalty fund to the Fraternity in full and who has received a majority vote to be elected to membership by the Corporation's Board of Directors and the Corporation's members present at a duly called meeting.

At any meeting of the members of the Corporation, any and all corporate action may be taken that is within the power of the Corporation as provided under state law.

All meetings of the Members of the Corporation shall be held after notice has been given to the members of the Corporation by an officer or director of this Corporation by publishing the time and place of such meetings within five (5) days prior to such meeting in a newspaper having a general circulation in [ADDRESS], or by written notice mailed to the last known address, to those members known to reside in the metropolitan area of the City of [CITY, STATE].

8.

Said Corporation shall have the right to amend its Charter as provided by law.

9.

The affairs of the Corporation shall be managed by a Board of Directors, to be composed of not less than three (3) nor more than fifteen (15) members of the Corporation. Each Director shall serve until his successor has been duly elected.

10.

Officers of the Corporation shall be a president, a vice president, a secretary and a treasurer and such other officers as may be provided for by the Bylaws of the Corporation. Officers shall hold office at the pleasure of the Board of directors and until their successors have been elected and accepted the office. A vacancy in any office may be filled whenever it occurs by election of the Board of Directors. Officers of the Corporation shall have and exercise respectively, all such powers as are conferred upon such respective officers by law, and also such further powers as the Board of Directors provide, and may from time to time confer upon such officers.

11.

Said Corporation shall have the power and authority to receive donations; to buy, acquire, hold, improve, manage, rent, sell and convey real and personal properties; to borrow money; to otherwise incur debts; to execute notes or bonds to evidence debt; to secure the payment of any such debt or debts by mortgage, security deed, deed of trust, or other appropriate instrument, to any real or personal property that may be owned from time to time by the Corporation Code and any amendments thereto as hereinafter adopted.

12.

*[CONSULT STATE LAW TO CONFIRM THIS IS ALLOWED]* The personal liability of a Director to the Corporation for monetary damages for breach of duty of care or other duty as a Director, is waived and eliminated, except as to the following:

- (i) For any appropriation, in violation of his duties, of any business opportunity of the Corporation;
- (ii) For acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;
- (iii) For the types of liability set forth in Code Section \_\_\_\_ ; or
- (iv) For any transaction from which the Director derived an improper personal benefit.

This provision shall be effective as of filing this Amendment with the Secretary of State.

13.

The present Board of Directors are as follows:

Names

Address

14.

The present officers of the Corporation are as follows:

Names

Address

15.

The registered office and registered agent of the Corporation is presently  
IN WITNESS WHEREOF, the undersigned executes these Articles of Incorporation.  
EXECUTED this the \_\_\_\_ day of \_\_\_\_\_, 19\_\_.

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
, Secretary

**If You Are Amending Your Articles, Then Do So by Restatement  
and Use the Following Preamble to the Articles to Be Filed**

**AMENDMENT BY RESTATED ARTICLES OF INCORPORATION**

COMES NOW, \_\_\_\_\_ CORPORATION, and files this its Restated Articles of Incorporation and respectfully shows:

That the Corporation was duly incorporated on or about \_\_\_\_\_

That members of the Corporation are entitled to vote upon these Amendments and pursuant thereto, the Board of Directors has adopted a Resolution setting forth these proposed Amendments by Restated Articles on the \_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, at which a majority of said Directors did adopt said Resolution directing that said Amendments be submitted to a vote at a meeting of members entitled to vote thereon by special meeting.

That said Amendments by Restated Articles were adopted by receiving at least two-thirds (2/3) vote being the number of member votes required, there being no shareholders, but only members.

That following approval of these Amendments by the proposed Restated Articles by its members, the Corporation has executed said Restated Articles of Incorporation, as follows:

(SET OUT THE ABOVE ARTICLES OF INCORPORATION-CONSULT ATTORNEY FOR STATE LAW AS TO AMENDING ARTICLES)

# **YOU MUST ADOPT BYLAWS**

The Bylaws set out the procedural structure of the organization not otherwise contained in the Articles; be certain the Bylaws do not conflict with the Articles. The sample of Bylaws provided are intended to be only an example; your attorney should examine carefully statutory requirements as to minimum notice time periods and whether notice is authorized by publication, and review and amend such to conform to local state law.

## **SAMPLE BYLAWS**

### **BYLAWS OF HOUSE CORPORATION**

#### **ARTICLE I**

##### **OFFICES**

The registered office and place of business of said Corporation shall be as filed with the Secretary of State of \_\_\_\_\_. The Corporation may establish and maintain an office or offices at such other places, either within or without the state of incorporation, as the Board of Directors may from time to time determine.

#### **ARTICLE II**

##### **SEAL**

The seal of the Corporation shall be in circular form as affixed here:

#### **ARTICLE III**

##### **SECTION 1**

##### **MEMBERSHIP**

All members of said Corporation shall be persons admitted to membership in \_\_\_\_\_ Chapter of the Phi Mu Delta Fraternity (*whether by formal initiation or formal affiliation as provided under the rules and regulations of Phi Mu*

*Delta Fraternity*) and such other members of Phi Mu Delta Fraternity who are so admitted, by a majority vote of both the Board of Directors and the members of the Corporation present at duly called meeting. Additionally, said persons must be at least twenty-one (21) years of age with a paid-up loyalty fund and graduated from \_\_\_\_\_ University, or a person who is at least twenty-one (21) years of age, not currently an undergraduate, who has paid their loyalty fund to the Fraternity in full and who has received a majority vote to be elected to membership by the Corporation's Board of Directors and the Corporation's members present at duly called meeting.

## **SECTION 2 MEETINGS OF MEMBERS**

Meetings of the members may be held at any place within or without the state of incorporation as set forth in the notice thereof or in the event of a meeting held pursuant to waiver of notice, as may be set forth in the waiver, or if no place is so specified, at \_\_\_\_\_ *[ADDRESS OF CHAPTER SHELTER]*.

## **SECTION 3 ANNUAL MEETINGS**

The annual meeting of the members of the Corporation shall be held at \_\_\_\_\_ o'clock p.m., on the \_\_\_\_ of \_\_\_\_ in each year if not a legal holiday, and if a legal holiday, then at the same time on the next succeeding day not a legal holiday or on such other date decided by the Board of Directors, or such other date as designated by the President in writing to the members in accordance with notice requirements.

If the annual meeting is not held on the day designated above, any business, including the election of directors, which might properly have been acted upon at that meeting may be acted upon at any subsequent members' meeting held pursuant to these Bylaws or to a court order requiring a substitute annual meeting.

## **SECTION 4 SPECIAL MEETINGS**

Except as otherwise provided by law, special meetings of the members of this Corporation shall be held whenever called by either the President or by the Treasurer or by a majority of the Board of Directors, or whenever twenty-five (25) members who are entitled to vote shall make written application thereof to the Secretary stating the time, place and purpose of the meeting called for.

## **SECTION 5 NOTICE OF MEETINGS**

Unless waived, written notice of all members' meetings stating the time and the place, and

the objects for which such meetings are called, shall be given by the President, the Treasurer or the Secretary by either mail not less than five (5) nor more than forty-five (45) days prior to the date of the meeting, to each member whose last known address is located within the [CITY, STATE] metropolitan area, or by publishing the time and place of such meeting within five (5) days prior to such meeting in a newspaper having a general circulation in [CITY, STATE].

In the case of a special meeting, the notice of meeting shall state the purpose or purposes for which the meeting is called.

## **SECTION 6 WAIVER OF NOTICE**

Whenever any notice whatever is required to be given by these Bylaws, or the Articles of Incorporation of this Corporation, or any of the applicable corporation laws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent thereto. Attendance at any meeting of the Corporation in person or by proxy shall be deemed to be a waiver of notice thereof.

## **SECTION 7 QUORUM**

A quorum at any member meeting shall be a minimum of \_\_\_\_\_ ( \_\_\_\_ ) members present in person for the transaction of business, but the members represented at any meeting thereof less than a quorum may adjourn the meeting from time to time without notice other than announcement at the meeting until a quorum shall be present. At any such meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally called. If a quorum is present, the affirmative vote of the majority of those voting at the meeting and entitled to vote on the subject matter shall be the act of the members.

## **SECTION 8 VOTING**

Subject to the limitations provided in the Charter, at every meeting each member shall be entitled to one vote. Voting on all matters shall be by voice vote or by show of hands unless any qualified voter, prior to the voting of any matter, demands vote by ballot, in which case each ballot shall state the name of the member voting. The membership roll of \_\_\_\_\_ alumni maintained by the Secretary shall be the sole evidence as to who are the members entitled to vote at any meeting of members.



be removed, at any time, with or without any cause, by majority vote of the members at a duly called meeting.

#### **SECTION 4 MEETING OF NEWLY ELECTED BOARD OF DIRECTORS**

A meeting of the newly elected Directors, to be known as the annual meeting of the Board shall be held at *[ADDRESS]*, or at such other place designated in a notice or waiver thereof, immediately after the adjournment of the annual meeting of the members for the election of officers for the Corporation and for the transaction of such other and further business as may properly come before the Board. No notice of such annual meeting, provided a majority of the newly elected Directors shall be present, shall be necessary or required in order to legally constitute the meeting. If a majority shall not be present at such meeting, those present shall adjourn the meeting to a specified time in the future, and the Secretary of the Corporation shall at once mail to each of the newly elected Directors a notice specifying the time and place where such adjourned meeting shall be re-convened.

#### **SECTION 5 REGULAR MEETINGS OF THE BOARD OF DIRECTORS**

Regular meetings of the Board of Directors shall be held at *[ADDRESS]*, or elsewhere within or without the state of incorporation, as specified in the notice of the meeting or the waiver of notice thereof. Regular meetings shall be held on such dates and at such times and places as may be determined by the Board of Directors and set forth in written notice given at least five (5) days prior thereto, and provided that such notice may be dispensed with if all the Directors are present at the meeting or if those present shall have waived notice thereof.

#### **SECTION 6 SPECIAL MEETINGS OF THE BOARD OF DIRECTORS**

Special meetings of the Board of Directors may be called by the President or Treasurer, by giving to each Director, either personally, by mail, or by telegraph, at least five (5) days prior notice of the time, place and purpose of the meeting, and shall be called in like manner upon the written request of a majority of the Directors, provided that such notice may be dispensed with if all the Directors are present at the meeting or if those not present shall have waived notice thereof, or shall sign the minutes of the meeting.

#### **SECTION 7 GENERAL PROVISIONS RELATING TO MEETINGS OF THE BOARD**

- (a) Any meeting of the Board at which all of the Directors are present shall be as valid as if held pursuant to proper notice, and in case a meeting shall be held without

notice when all are not present, but the absent Directors thereafter sign the minutes of the meeting, or in case a meeting shall be held without proper notice, but all the Directors sign the minutes of the meeting, the same shall be as valuate and binding as though called upon due notice.

- (b) The Board of Directors may hold its meetings at such place or places, either within or without the state, as it shall from time to time by resolution determine, but until and unless otherwise determined, all meetings of the Board of Directors shall be at the principal office of said Corporation.

## **SECTION 8 QUORUM OF BOARD OF DIRECTORS**

If less than seven (7) members are acting as Directors, a majority of those so serving shall constitute a quorum; if more than seven (7) directors are so serving, then four (4) members of the Board of Directors shall be necessary to constitute a quorum for the transaction of business at any meeting, but a smaller number may adjourn the meeting to a future date as set forth in Section 5 of this Article. For the transaction of any business before the Board, it shall require a vote of the majority of those present at a meeting wherein a quorum is present.

## **SECTION 9 POWERS OF THE BOARD OF DIRECTORS**

The Board of Directors shall regulate and supervise the management and operation of the Corporation. It shall attend to all affairs of the Corporation, shall make such arrangements for carrying on the business as it deems best and in addition to the powers by these Bylaws expressly conferred upon the Board, it may exercise all of the powers of the Corporation and do all such lawful acts and things as are not by statute or by the charter or by these Bylaws required to be exercised or done by the members, to include the appointment of an Executive Committee of the Board of Directors. (*See Section 12 of this Article*)

## **SECTION 10 VACANCIES IN BOARD OF DIRECTORS**

Any vacancy in the office of any Director, however occasioned, may be *filled*, pending the election of his successor by the members, by a majority vote of the remaining Directors.

## **SECTION 11 COMPENSATION OF DIRECTORS**

The Directors shall receive no remuneration or compensation for their services in attending annual, special or regular meetings of the Board.

## **SECTION 12 COMMITTEES OF THE BOARD OF DIRECTORS**

The Board of Directors by resolution may designate from among its members an executive committee and one or more other committees, each consisting of two (2) or more Directors. Except as prohibited by laws, each committee shall have the authority set forth in the resolution establishing said committee.

## **SECTION 13 ACTION BY DIRECTORS WITHOUT A MEETING**

Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if a written consent thereto shall be signed by all the Directors and such written consent is filed with the minutes of the proceedings of the Board. Such consent shall have the same force and effect as a unanimous vote of the Board of Directors.

## **SECTION 14 ADJOURNMENTS**

A meeting of the Board of Directors, whether or not a quorum is present, may be adjourned by a majority of the Directors present to re-convene at a specific time and place. It shall not be necessary to give notice of the re-convened meeting or of the business to be transacted, other than by announcement at the meeting which was adjourned. At any such re-convened meeting at which a quorum is present, any business may be transacted which could have been transacted at the meeting which was adjourned.

# **ARTICLE V**

## **OFFICERS**

### **SECTION 1 GENERAL**

The Executive Officers of the Corporation shall consist of a President, one (1) or more Vice President, (as *determined by the Board*) a Secretary and a Treasurer, to be elected by the Board of Directors at a meeting for organization held after the annual meeting of members or any meeting held in lieu of said meeting for said purpose. Each of said officers shall serve for a term of one (1) year, or until his successor is elected. The Board of Directors may also appoint assistant officers (*e.g. assistant secretary, assistant*





All deeds and mortgages made by the Corporation and all written contracts and agreements to which the Corporation shall be party shall be executed by the President and Secretary of the Corporation, unless the Board of Directors by resolution otherwise directs and determines.

### **SECTION 3 NOTICE AND WAIVER**

Whenever these Bylaws require notice to be given to any member or Director, the notice shall be given as provided in the applicable provision. Whenever notice is given to a member or Director by mail, the notice shall be sent first class mail by depositing the same in a post office or letter box in a postage prepaid sealed envelope addressed to the member or Director at his address as it appears on the roll book of the Corporation, and such notice shall be deemed to have been given at the time the same is deposited in the United States mail.

Whenever any notice is required to be given to any member or director by law, by the Articles of Incorporation, or by these Bylaws, a waiver thereof in writing signed by the Director or member entitled to such notice, whether before or after the meeting to which the waiver pertains, shall be deemed equivalent thereto.

### **SECTION 4 INSPECTION OF BOOKS AND RECORDS**

The Board of Directors shall have power to determine which accounts, books and records of the Corporation shall be opened to the inspection of members, except such as made by law be specifically opened to inspection, and shall have the power to fix reasonable rules and regulations not in conflict with the applicable law for the inspection of accounts, books and records which by law or by determination of the Board of Directors shall be opened to inspection.

## **ARTICLE VII**

### **INTERPRETATION CLAUSE**

#### **SECTION 1 PROVISIONS SUBJECT TO PROVISIONS OF CHARTER**

All of the provisions of these Bylaws are subject to, regulated and controlled by the Charter of the Corporation; and the powers of the members and the Directors of the Corporation are subject to the restrictions provided in the Charter of the Corporation.

## **SECTION 2 CORPORATION GOVERNED BY CHARTER AND BYLAWS**

The Corporation shall be controlled and operated pursuant to the provisions as set forth in the Charter of the Corporation, and to the provisions as set out in these Bylaws. If there should be conflict between the provisions of the Charter and the provisions of these Bylaws, then, and in that event, the provisions of the Charter shall always control.

### **ARTICLE VIII**

#### **INDEMNIFICATION**

If an officer or director of the Corporation is hereafter made a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (*other than any action by or in the right of the Corporation*) by reason of the fact that he is or was a director, shall be indemnified by the Corporation against expenses (*including attorneys' fees*), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in a manner he reasonably believed to be in or not opposed to the best interest of the Corporation, and done in good faith, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the conduct was unlawful. The termination of any action, suit or proceeding by judgment, order levy, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in a manner which he reasonably believed to be in or not opposed to the best interest of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the conduct was unlawful.

This indemnity shall continue as to an officer or director who has ceased to be a director and shall inure to the benefit of the heirs, executors, and administrators of such officer or director.

The Corporation shall, not later than the next annual meeting of the members [*unless such meeting is held within three (3) months from the date of such payment*]; and, in any event, within fifteen (*15*) months from the date of such payment, then by first class mail to its members of record at the time entitled to vote for the election of directors a statement specifying the persons paid, the amounts paid, and the nature and status at the time of such payment of litigation or threatened litigation, if made pursuant to this indemnity provision.

**ARTICLE IX**  
**AMENDMENTS**

These Bylaws may be altered or amended and additional Bylaws adopted by a majority vote of the members in the notice of which meeting the proposed amendment or new Bylaws shall be set forth verbatim, or by a three-fourths (3/4) majority vote at any members' meeting having a quorum where the notice of such amendment or new Bylaws is not so given; however, provided that no change of the time or place for the election of Directors shall be made within fifteen (15) days next before the day on which such election is to be held.

The above and foregoing Bylaws have been voted upon this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_, and hereby accepted and adopted, as certified by the undersigned.

\_\_\_\_\_  
PRESIDENT

The undersigned, as Secretary of the Corporation, enters the aforesaid Bylaws in accordance with the unanimous vote of the members at the annual meeting of the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

This \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_  
SECRETARY

# **SAMPLE OF MINUTES/AGENDA/WAIVER OF NOTICE**

## **MINUTES OF BOARD OF DIRECTORS' MEETING**

A MEETING OF THE BOARD OF DIRECTORS WAS HELD ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_ 19 \_\_\_\_ AT \_\_\_\_\_ *[ADDRESS]* \_\_\_\_\_.

The Chairman acknowledged and certified a quorum with the presence of all directors, with the exception of the following who were absent:

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

The Chairman presented the attached Agenda of the meeting.

The Chairman certified due notice being given as to the meeting or execution of Waiver of Notice by all Directors, attached.

The Chairman as President presented his report. Several matters requiring a vote will be brought up under New and Old Business, as applicable.

The following reports were made by *[treasurer, vice-president, special committee chairman, etc]*.

Under Old Business the following matters were discussed:

Upon motions, being duly seconded, the following motions were duly passed by vote of the Board:

Under New Business, the following matters were discussed:

Upon motions, being duly seconded, the following Motions were duly passed by vote of the Board:

There being no further business, the meeting was duly adjourned at \_\_\_\_\_ a.m./p.m.

\_\_\_\_\_  
Chairman/or Secretary

# AGENDA

CALL MEETING TO ORDER  
CERTIFY NOTICE OF MEETING  
CERTIFY QUORUM  
REPORT OF CHAIRMAN/PRESIDENT  
REPORT OF OTHER OFFICERS  
REPORT OF SPECIAL COMMITTEE CHAIRMAN  
OLD BUSINESS  
NEW BUSINESS  
SET DATE FOR NEXT MEETING  
ADJOURNMENT

## WAIVER OF NOTICE

The undersigned Directors hereby waive all formal requirements of notice as the Board of Directors Meeting of \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_.

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

# SAMPLE OF MINUTES OF JOINT ANNUAL MEETING OF HOUSE CORPORATION MEMBERS AND DIRECTORS

The joint annual meeting of members and Board of Directors of the House Corporation was held on \_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_ at [ADDRESS].

The President called the meeting to order at \_\_[TIME]\_\_.

The President certified that proper notice of the meeting had been given as provided by the Bylaws and that the required quorum of members was present.

The President acknowledged the attached agenda of the meeting and gave his report. The following officers made their report to the members:

The first order of business was the election of the Board of Directors. The following persons were nominated and duly seconded:

Upon motion the nominations were closed and the following persons were elected to serve on the Board of Directors:

\_\_\_\_\_ was elected as Chairman of the Board, who then convened the Board of Directors Meeting.

The following persons were nominated and duly seconded by the members of the Board of Directors for the described office.

President: \_\_\_\_\_  
Vice President: \_\_\_\_\_  
Secretary: \_\_\_\_\_  
Treasurer: \_\_\_\_\_  
Assistant Officers: \_\_\_\_\_

Upon vote, the following persons were elected by the Board of Directors as officers of the House Corporation:

President: \_\_\_\_\_  
Vice President: \_\_\_\_\_  
Secretary: \_\_\_\_\_

Treasurer: \_\_\_\_\_

Assistant Officers: \_\_\_\_\_

The Treasurer made a report as to the income and expenses; he presented a Budget *for* the year; discussions were made.

The following matters under Old Business were discussed and where indicated voted upon:

The following matters of New Business were discussed and where indicated voted upon:

Upon motion the meeting of the members and the Board of Directors was duly adjourned at  [TIME]  .

MINUTES CERTIFIED BY: \_\_\_\_\_

SECRETARY

## **SAMPLE AGENDA OF JOINT MEETING OF MEMBERS AND BOARD OF DIRECTORS**

CERTIFICATION OF NOTICE AND QUORUM

ACKNOWLEDGMENT OF AGENDA

ELECTION OF NEW BOARD

    NOMINATIONS BY MEMBERS

    ELECTION OF BOARD

    ELECTION OF CHAIRMAN OF BOARD BY NEW BOARD

CONVENE BOARD MEETING FOR ELECTION OF OFFICERS

    ELECTION OF OFFICERS BY BOARD

REPORT OF TREASURER

OLD BUSINESS

NEW BUSINESS

ADJOURNMENT

# **YOU MUST FILE FOR ‘NOT-FOR-PROFIT’ STATUS AS A SECTION 501(c)(7) ORGANIZATION WITH THE IRS**

Upon filing the Articles with the State and holding the organizational meeting at which the Articles are ratified, Directors are acknowledged, the Bylaws are adopted, etc. You should proceed with completing and filing with the IRS the IRS form 1024, "Application for Exemption for 501(c)(7) et seq Organization"; concurrently with this filing you should apply for a federal tax identification number. Use IRS form SS-4.

**THE FOLLOWING IRS FORMS SHOULD BE REVIEWED, COMPLETED AND FILED AS APPLICABLE:**

IRS FORM SS-4 [*APPLICATION FOR FEDERAL ID NUMBER*]

IRS FORM 1024 [*APPLICATION FOR RECOGNITION AS 501 (c) (7)*]

IRS FORM 8718 [*USER FEE, DETERMINATION LETTER REQUEST*]

IRS FORM 990, 990EZ OR 990-T [*ANNUAL RETURN TO BE FILED*]

# INITIAL FILING REQUIREMENTS

## HOUSE CORPORATION

**FEDERAL:** Qualification as Section 501(c)(7) not for profit, IRS package 1024; Fed ID Number, Form SS-4; obtain Employer's Tax Guide, Circular E; check initial requirements as to annual and quarterly employer's federal tax return.

## CHAPTER

**FEDERAL:** You should have a tax ID number, SS-4 Form; obtain State Employee Withholding Number; No.1024 qualification filing required, you are qualified under Fraternity filing.

## ANNUAL\FILING REPORTING REQUIREMENTS

### **FEDERAL:Both House Corporation and Chapter**

Form 990 (If gross income exceeds \$25,000 for the year) OR Form 990EZ (If gross income is less than \$100,000 and total assets are less than \$250,000)

**DUE DATE:** November 15 if your fiscal year is June 30

Form 990-T (If non exempt income, more than \$1,000)

Form 941 Employer's Quarterly Federal Tax return, Federal Withholding and Social Security

Form 940 Employer's Annual Federal Unemployment FUTA Tax return due January 31 of following year

W-4 Employee's Withholding allowance certificate

W-2 W-3 forms due to employee from employer by January 31 of following year; due to Social Security Administration by February 28 of following year

Form 1099 for payments to individuals/companies

### **STATE:**

Employer's Quarterly Tax and Wage Report  
Employer's Income Withholding Report  
Chapter as an employer will need State ID number  
Sales Tax requirements on sale of food to member