

# ALUMNI ASSOCIATION MISSION AND BYLAWS

(Revised April 2005)

## Statement of Mission

The Penn State Alumni Association (the “Association”) is organized exclusively for the purposes set forth in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), and more specifically:

To connect alumni to the University and to each other, to provide valued service to members, and to support the University’s mission of teaching, research, and service.

Notwithstanding any provisions of these bylaws, the Association shall not support or engage in any program or activity not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(3) of the Code.

In furtherance of the purposes set forth above, the Association shall have all of the powers created by law, so long as they are consistent with the requirements of Section 501(c)(3) of the Code, including but not limited to the power to accept gifts, grants, devises, bequests of funds, or any other property from any public or governmental bodies and any private persons who shall include but not be limited to private and public foundations, corporations, individuals, and members.

The Association does not contemplate pecuniary gain or profit, incidental or otherwise, and no part of the net earnings of the Association shall inure to the benefit of or be distributable to its directors, officers or other private persons except that the Association shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth above.

No substantial part of the activities of the Association shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Association shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these articles, the Association shall not carry on (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code, or corresponding section of any future federal tax code, or (b) by a corporation, contributions to which are deductible under section 170(c)(2) of the Code, or corresponding section of any future federal tax code.

## Bylaws

### Article I. Membership

#### SECTION 1: MEMBERSHIP AND QUALIFICATIONS

The following persons shall be eligible for membership in the Association and shall hereinafter be called “Alumni” or “Alumnus”:

- (a) All persons who have completed one semester or two terms of work in any University program requiring at least two years for completion;
- (b) All persons who have received an advanced degree from the University;

- (c) All interns, residents, and fellows of the University's Milton S. Hershey Medical Center (the "Medical Center"); and
- (d) All post-graduate fellows of the University's colleges (other than the Medical Center) who have completed the equivalent of one semester or two terms in an accredited program.

To become a Member of the Association, an eligible person shall pay either an annual membership fee or purchase a life membership, the terms for each of which shall be established from time to time by the Executive Board, as hereinafter defined in Article II, of the Association. An Alumnus of the Association who has become a Member of the Association shall be referred to in these bylaws as a "Member."

#### SECTION 2: RIGHTS AND PRIVILEGES OF MEMBERSHIP

Members of the Association shall have the following rights and privileges:

- (a) to vote in all Association elections;
- (b) to hold office in the Association, except as provided in Article IV, Section 1(b) and Article X, Section 2(f) and (g);  
and
- (c) to be eligible to receive all official publications of the Association.

#### SECTION 3: ASSOCIATE MEMBERS

Faculty members, present and past, parents of students or of Alumni, and other loyal friends of the University shall be admitted to Associate Membership in this Association upon payment of an annual fee or may purchase associate life membership, the fees for each of which shall be established from time to time by the Executive Board of the Association. Associate Members shall be accorded the privileges of membership except that they may not hold office in the Association or vote in Association elections. Associate Members shall be referred to in these bylaws as "Associate Members."

### Article II. Organization

#### SECTION 1: THE ALUMNI COUNCIL

- (a) The governing body of the Association shall be an Alumni Council (the "Council") composed of 30 members elected in the manner provided in Article IV of these bylaws; nine members appointed by the President of the Association; such additional members, if any, as may be required under the provision of Article II, Section 3; the immediate past President; a representative from each of the duly constituted societies formed pursuant to Article X herein which have been granted a charter by the Executive Board and the Council; the Chairperson of the Nittany Lion Club Advisory Council; the chairperson of the Faculty Senate; a liaison from the Board of Trustees; and five student representatives, who shall be the president of the University Park Undergraduate Association (UPUA), the president of the Council of Commonwealth Student Governments (CCSG), the president of the Graduate Student Association (GSA), the president of the Lion Ambassadors, and the president of the Blue & White Society.
- (b) The term of office for the thirty (30) elected members and the nine (9) appointed members shall be three (3) years. They shall be eligible to serve no more than two (2) consecutive terms, but after a period of two (2) years of non-membership, they shall again be eligible for Council membership. Any term of office in excess of two (2) years shall be considered a full term, and any lesser period shall be disregarded for the purpose of determining eligibility for membership.

The terms of the Constituent Society representatives shall be two (2) years and they shall be eligible to serve no more than six (6) consecutive years as a Council member following completion of their term as a Constituent Society representative

The terms of the student representatives shall be one (1) year.

(c) Ten (10) members of Council shall be elected and three (3) shall be appointed each year.

#### SECTION 2: THE EXECUTIVE BOARD

(a) There shall be an Executive Board consisting of the President, the immediate Past President, the Vice President, the chairperson of the Faculty Senate, the liaison to the Council from the Board of Trustees, and twelve (12) members of the Council appointed annually by the President, at least one of whom must be a student representative.

(b) The Executive Director of the Association and his assistant or assistants shall serve as ex-officio members of the Board without voting privileges.

#### SECTION 3: OFFICERS

The officers of the Association shall be a President, a Vice President, who shall automatically succeed the President at the conclusion of his or her term, and a Secretary-Treasurer. The term of office of the President and the Vice President shall be two years. In odd-numbered years, the Vice President shall be elected from the members of the Council at the Annual Meeting of the Council. Neither the President nor the Vice President shall succeed himself or herself for a full term. Any person who is elected to the office of President or Vice President of the Council shall continue as an additional member of the Council if such person otherwise would be ineligible to continue as a member of the Council. The Executive Director shall serve as the Secretary-Treasurer.

#### SECTION 4: EXECUTIVE DIRECTOR

The Executive Director shall be appointed by the Executive Board for such terms and under such conditions as the Executive Board may determine. Upon appointment the Executive Director shall become a member of the Association. His or her term of office may be terminated by a two-thirds vote of the total membership of the Executive Board.

### **Article III. Meetings**

#### SECTION 1: THE COUNCIL

(a) The Council shall meet at least twice each year, with the meeting in the spring to be known as the annual meeting (hereinafter referred to as the "Annual Meeting"). The time and place of the meetings shall be designated by the Executive Board.

(b) Additional or special meetings of the Council may be called either by action of the Executive Board or by a petition to the President signed by at least fifteen (15) members of the Council.

(c) The call designating the time and place for the meetings shall be mailed by the Executive Director to all members of the Council and to such others as the President deems necessary, not less than two weeks prior to the time of the meeting.

(d) A majority of the members of the Council currently in office shall constitute a quorum.

- (e) If any person misses two (2) consecutive regular meetings of the Council, the President may dismiss the member and appoint a successor for the unexpired term.

#### SECTION 2: THE EXECUTIVE BOARD

- (a) The Executive Board shall hold at least three (3) meetings a year.
- (b) The Executive Director, upon authorization of the President, shall send written notice of the regular meetings to reach the members of the Executive Board not less than ten (10) days prior to the time of the meeting.
- (c) Additional or special meetings may be called by action of the Board, by the President or by written request to the President by at least five (5) members of the Board. Written notice of such meetings shall be sent to reach the members not less than three (3) days prior to the date of the meeting.
- (d) A majority of the members of the Executive Board shall constitute a quorum for the transaction of business.

### **Article IV. Elections**

#### SECTION 1: ELIGIBILITY

- (a) Only Members of the Association shall be eligible for membership on the Council.
- (b) Full-time regular employees of the University shall not serve as President or Vice President of the Association.

#### SECTION 2: THE NOMINATING COMMITTEE

- (a) There shall be a nominating committee appointed by the President comprised of members of the Council who are not candidates for re-election or election to office under Article II, Section 1 or 3. The committee shall present nominees for membership on the Council and for its officers. The committee shall be chaired by the Immediate Past President.
- (b) In selecting nominees, the committee shall give due consideration to their diversity and to representation by colleges, organized alumni units, and geographical areas.
- (c) Constituent Societies, Affiliate Program Groups through Constituent Societies, Penn State Chapters, and Alumni Interest Groups are urged to recommend to the nominating committee persons to be nominated for membership on the Council. The nominating committee shall receive and give due consideration to such recommendations.

#### SECTION 3: THE COUNCIL

- (a) The nominating committee shall nominate one (1) or more candidates for each of the ten (10) elected members positions to be filled each year.
- (b) Nominations may also be made upon receipt of petitions from not less than fifty (50) Members of the Association; petitions must be received by the Executive Director no later than January 1.
- (c) The nominating committee shall report a slate of candidates to the Council. Nominations may then be made from the floor.
- (d) Upon delivery of the report of the nominating committee and the receipt of other nominations by petitions and nominations from the floor at the meeting of Council at which the report of the nominating committee is

presented, the Executive Director will place the names of the nominees on a ballot to be mailed to all members of the Association. The order in which candidates are listed shall be decided by a drawing. Pertinent biographical material regarding the nominees and a personal statement from the nominee shall be published.

- (e) The Executive Director shall appoint tellers who shall count all legal ballots received on or before June 1 from members of the Association.
- (f) The results of the election shall be published in the next publication of the Association.
- (g) All members so elected shall take office on July 1 of the year in which they are elected.

#### SECTION 4: OFFICERS

- (a) The nominating committee shall present to the Council at its fall meeting in even-numbered years a nominee for the office of Vice President. At the Annual Meeting of the Council in odd-numbered years, the members of the Council shall have the opportunity to make additional nominations from the floor for the office of Vice President, after which the Vice President of the Association shall be elected at that Annual Meeting.
- (b) If there is more than one candidate for office, the vote shall be by secret ballot and the election shall be decided by majority vote.

### **Article V: Powers and Duties**

#### SECTION 1: THE COUNCIL

The Council shall be the governing body of the Association and shall be responsible for its management, control, and development in carrying out the mission of the Association as set forth in its Statement of Mission, assisting in the advancement of the mission of the University and increasing the interest and cooperation of Alumni in programs designed to be of service to the University. The Council shall authorize plans to develop the Life Membership Fund as a major objective of the Association.

#### SECTION 2: THE EXECUTIVE BOARD

- (a) The Executive Board shall transact the business of the Association in the intervals between Council meetings and shall have all the powers of the Council, subject to the approval of the Council.
- (b) The Executive Board shall make and present to the Council an annual report and a budget of estimated revenue and expense, and shall direct the investment and care of all funds and monies of the Association.

#### SECTION 3: THE PRESIDENT

The President shall preside at all meetings of the Association, of the Council, and of the Executive Board, appoint committees, and perform such other duties as may pertain to the office. The President shall have the right to name a member of the Council to preside at any meeting of the Association or of the Council at which neither the President nor the Vice President shall be present and shall have the right to name a member of the Executive Board to preside at any meetings of said Board at which neither the President nor the Vice President shall be present.

#### SECTION 4: THE VICE PRESIDENT

In the absence of the President, the Vice President shall perform the duties of the President.

## SECTION 5: THE EXECUTIVE DIRECTOR/SECRETARY-TREASURER

The Executive Director/Secretary-Treasurer shall perform such duties and be under such corporate surety bond as the Executive Board may determine. He or she shall be the executive officer of the Association. Upon proper authorization, he or she shall attend all meetings of the Executive Board and Council and shall keep all the records and proceedings thereof. He or she shall, under the direction of the Executive Board, have charge of the books and accounts of the Association, conduct the correspondence, be responsible for the property of the Association, prepare and, as nearly as possible, keep up to date a personal history of each graduate and former student, be in full charge of all departments of the Association, cooperate with the University, and in general carry out such duties as may be assigned to him or her by the Executive Board. The Executive Director shall be responsible for the receipt, disbursement, and proper acknowledgement of all monies or other contributions applicable to the Life Membership Fund, the Margin of Excellence Fund, the Student Program Fund, and the Operating Fund of the Association; for the adequate accounting of the same; and for the prompt transfer of such contributions to the respective designated depositories as may be authorized by the Executive Board. He or she shall assist in the advancement of the missions of the Association and the University.

## **Article VI: Committees**

SECTION 1: The Executive Board or President shall authorize the appointment of such standing or special committees and task forces as may be appropriate.

### SECTION 2: STANDING COMMITTEES

The standing committees shall be the Executive Board, the Nominating Committee, the Awards Committee, the Budget and Finance Committee, the Communications Committee, the Diversity Committee, the Legislative Education and Advocacy Committee, the Membership Committee, the Program Development Committee, the Volunteer Support Committee, and such other committees as the Executive Board or President may from time to time authorize.

## **Article VII: Official Publications**

### SECTION 1: PURPOSE

The official publications of this Association shall be known as *The Penn Stater*, *The Football Letter*, and such other publications as are designated by the Council, each to be issued periodically for the purpose of keeping the alumni fully informed of University affairs and alumni activities.

### SECTION 2: DIRECTION AND CONTROL

The officers of the Association shall be the publisher of the official publications and shall be responsible for editing, publication, and distribution.

### SECTION 3: CIRCULATION

Members and Associate Members of the Alumni Association, and such others as may be determined by the Executive Board, shall be eligible to receive copies of all official publications.

## **Article VIII: Funds**

### SECTION 1: THE ASSOCIATION FUNDS

The Association funds shall be:

- (a) the Penn State Alumni Association Life Membership Fund, hereinafter referred to as the “Life Membership Fund,”
- (b) the Penn State Alumni Association Margin of Excellence Fund, hereinafter referred to as the “Margin of Excellence Fund,”
- (c) the Penn State Alumni Association Operating Fund, hereinafter referred to as the “Operating Fund,” and
- (d) the Penn State Alumni Association Student Program Fund, hereinafter referred to as the “Student Program Fund.”

### SECTION 2: THE LIFE MEMBERSHIP FUND

- (a) The Life Membership Fund shall include all monies and securities now in possession of the Association and previously designated as the Penn State Alumni Association Endowment Fund, together with such additions to the principal of the Fund as are received from Life Membership fees.
- (b) The Executive Board shall make suitable provision for the investment of the Life Membership Fund with due regard to safeguarding the principal and providing adequate income and capital appreciation for servicing Life Members.
- (c) Dividends and interest from securities may be credited directly to operating funds as designated by the Executive Board. Additional transfers from principal to operating funds may be made at the discretion of the Executive Board.

### SECTION 3: THE MARGIN OF EXCELLENCE FUND

- (a) The Margin of Excellence Fund shall be established with the principal sum of \$6,500,000.
- (c) The Executive Board shall make suitable provision for the investment of the Margin of Excellence Fund together with or separate from other funds of the Association.
- (d) Disbursements from the Margin of Excellence Fund shall be as authorized by the Executive Board for the support of the mission of the University in accordance with the mission, values, and strategic goals of the Association. The Executive Board shall report to Council the disbursements that have been authorized since the last such report.
- (e) Except for disbursements authorized by Article VIII, Section 3(c), dividends and interest from securities may be credited directly to operating funds as designated by the Executive Board and additional transfers from principal to operating funds may be made at the discretion of the Executive Board.

### SECTION 4: THE OPERATING FUND

The Operating Fund shall include all money received by the Association from annual membership dues, dividends and interest income, transfers from Life Membership Fund principal as prescribed by Article VIII, Section 2(c), transfers from Margin of Excellence Fund principal as prescribed by Article VIII, Section 3(d), advertising, and other miscellaneous sources not including funds received for Life Memberships.

## SECTION 5: THE STUDENT PROGRAM FUND

The Student Program Fund shall include all money received by the Alumni Association from Alumni Association license plate fees, Alumni Walk sales revenue, and other miscellaneous sources.

## **Article IX: Penn State Chapters**

### SECTION 1: PURPOSES

The purposes of a Penn State Chapter are:

- (a) To assist the University in promoting its programs under the direction of the Alumni Association;
- (b) To promote the fellowship and welfare of Penn State alumni, students, parents of students, and other friends of the University residing in the chapter area by providing information and services to them;
- (c) To recruit volunteer assistance for the various programs of the Alumni Association and the University;

### SECTION 2: ORGANIZATION

- (a) A Penn State Chapter may be formed in any convenient geographical area with boundaries established by agreement among the Association, the organizers of the Chapter, and any Penn State Chapter already in existence, which may be affected thereby. It is desirable to cover a territory including the residences of 200 or more Alumni.
- (b) Applications for new Chapter charters must be made to the Association by filing a petition and proposed bylaws with the Association.
- (c) Chapters shall be governed by a board of directors, the number of which shall be determined by the Chapter bylaws. All Chapter directors shall be Members or Associate Members of the Association.
- (d) The application and bylaws of the proposed Chapter shall be considered at a meeting of the Executive Board to determine whether they fulfill the conditions of Article IX, Section 2(a) and (b). If the Executive Board approves the application and bylaws of the proposed Chapter, the application shall be forwarded to the Council, which shall take final action on the application of the proposed Chapter.
- (e) A charter entitles the Chapter to obtain assistance from the Association for such services as planning programs, printing notices thereof, and mailing. Such assistance may be subsidized in part by the Association for organizational purposes, but otherwise the Chapter shall be charged for the costs incurred.
- (f) In order to retain its charter, a Chapter must fulfill the following obligations:
  - 1. Hold at least one general meeting each year at which business is transacted;
  - 2. Comply with the provisions of these bylaws and its own bylaws;
  - 3. Complete an annual report as required by Article XIV of these bylaws.



### SECTION 3: CHARTER REVOCATION

When the requirements of Article IX, Section 2 have not been met by any Chapter, the Executive Board, one year after notice to such Chapter of its intention to do so and with the approval of the Council, shall revoke the Charter of such Chapter unless the Executive Board determines that the Chapter has resumed compliance with the requirements of Article IX, Section 2.

If a Chapter charter is revoked, the Association shall notify Chapter officers in writing of the revocation, and the Chapter shall be listed in *The Penn Stater* as “inactive.”

### SECTION 4: REINSTATEMENT

Reinstatement of a revoked charter may be obtained only by fulfilling the original requirements under Article IX, Section 2.

## **Article X: Constituent Societies**

### SECTION 1: PURPOSE AND CLASSIFICATION

- (a) The purposes of Constituent Societies shall be to (1) stimulate the continued interest of all graduates and former students of each College and Campus of the University (hereinafter referred to as “College(s)” and “Campus(es)"); (2) act as an informal advisory board to the chief administrative officer of the respective Colleges and Campuses; (3) provide additional avenues for identification, contact, and representation of Alumni within the Association and each Constituent Society; (4) provide a means whereby Alumni may join together for the enrichment of their respective Colleges and Campuses and the University as a whole.
- (b) Constituent Societies shall be divided into two categories: College and Campus. They are defined as follows:
1. A College is any degree-granting academic unit administered through a University deanship.
  2. A Campus is any University campus, excepting the University Park campus, which does not fulfill the definition of “College” set forth above and which is administered through a campus chancellor.

### SECTION 2: ORGANIZATION

- (a) Constituent Societies are to be formed as part of the Association. Application to form a Constituent Society may be made to the Executive Board by filing a petition signed by at least fifty (50) Association Members who are alumni of a particular College or Campus and proposed bylaws for the Society. The application must have the approval of the dean of such College or the campus executive officer of such Campus.
- (b) The application of the proposed Constituent Society shall be considered at a meeting of the Executive Board to determine whether the application and bylaws fulfill the conditions of Article X, Section 1(a). If the Executive Board approves the application and bylaws of the proposed Constituent Society, the application shall be forwarded to the Council, which shall take final action on the application of the proposed Society.
- (c) If the proposed Constituent Society’s application is approved by the Executive Board and the Council, an official charter shall be granted by the Association to the proposed Constituent Society.
- (d) Membership or Associate Membership in the Association is a prerequisite to membership in a Constituent Society. A Member of the Association shall automatically be a member of his or her College or Campus Constituent Society, or both.

- (e) Constituent Societies shall be governed by a board of directors, the number of which shall be determined by the Society's bylaws. All Society directors shall be Members or Associate Members of the Association.
- (f) Full-time regular employees of a college of the University shall not serve as elected officers of the Constituent Society of that College.
- (g) Full-time regular employees of a campus of the University shall not serve as elected officers of the Constituent Society of that Campus.
- (h) Funds to assist in operating each officially chartered Constituent Society shall be secured from the Association. All Constituent Society requests for funding shall be approved by the Finance Committee, if any, and the Executive Board. If such funding requests are approved, they shall be included in the budget of the Association.
- (i) In order to retain its charter, a Constituent Society must:
  - 1. Comply with the provisions of these bylaws and its own bylaws;
  - 2. Complete an annual report as required by Article XIV of these bylaws;
  - 3. Hold at least one general meeting each year at which business is transacted.

#### SECTION 3: CHARTER REVOCATION

When the requirements of Article X, Section 2 have not been met by any Constituent Society, the Executive Board, one year after notice to such Constituent Society of its intention to do so and with the approval of the Council, shall revoke the Charter of such Constituent Society unless the Executive Board determines that the Constituent Society has resumed compliance with the requirements of said provisions. If a Society charter is revoked, the Association shall notify Society officers in writing of the revocation, and the Society shall be listed in *The Penn Stater* as "inactive."

#### SECTION 4: REINSTATEMENT

Reinstatement of a revoked charter may be obtained only by fulfilling the original requirements under Article X, Section 2.

#### SECTION 5: THE DICKINSON SCHOOL OF LAW GENERAL ALUMNI ASSOCIATION

The Dickinson General Alumni Association (GAA) is a Constituent Society of the Association notwithstanding non-compliance by the Dickinson GAA with Article X, Section 2 or any other provision of these bylaws, it being the intention of this Section 5 that it supersedes any provision of these bylaws to the contrary. Moreover, the Dickinson GAA shall have a representative on the Alumni Council, and that representative may serve on the Executive Board or as an officer of the Association notwithstanding any language in Article II, Sections 1, 2, or 3 or Article IV, Sections 1, 2, 3, or 4 that may be to the contrary, except that such representative must be a member of the Association.

### **Article XI: Affiliate Program Groups (APGs)**

#### SECTION 1: DEFINITION

An Affiliate Program Group (APG) shall consist of Alumni or friends of the University who have a common interest in a particular academic, professional, or extra-curricular activity which is related to a specific College or Campus program.

## SECTION 2: PURPOSE

The purpose of APGs shall be to (a) provide means whereby its members may join together for the enrichment of their respective interest groups and the University as a whole, (b) provide additional avenues for identification and contact within the Association, and (c) stimulate the continued interest in the University of all of its graduates and former students.

## SECTION 3: ORGANIZATION

- (a) A proposed APG must meet the definition set forth in Article XI, Section 1 of these bylaws.
- (b) Application to form an APG shall be made to the Constituent Society of the related College or Campus by filing a petition signed by no fewer than twenty-five (25) Alumni or friends of the University who propose to join the APG.
- (c) Formal recognition of the APG shall be granted by the Constituent Society of the related College or Campus upon its approval of the petition of the proposed APG. Such recognition entitles a representative of the APG to membership on the board of directors of the Constituent Society only where provisions for such representation are stated in the Constituent Society's bylaws. This representative must be a Member or Associate Member of the Association.
- (d) Constituent Societies shall have the authority to require and approve a constitution and bylaws for any recognized APG.
- (e) An APG shall operate as an official organization of the Constituent Society of the related College or Campus and of the Association. The APG shall conform to all rules and regulations set forth by the constitution of the related Constituent Society, and shall take no action in conflict with said constitution or with the articles of incorporation and bylaws of the Association.

## SECTION 4: REVOCATION OF RECOGNIZED STATUS

- (a) In order to retain its recognized status, each APG must comply with applicable provisions set forth in the constitution of the related Constituent Society.
- (b) The related Constituent Society shall have the authority to revoke recognized status to any APG by action of the Constituent Society's Board of Directors with the written approval of the Executive Director of the Association.

## SECTION 5: REINSTATEMENT

Reinstatement of an APG's recognized status may be obtained only by fulfilling the original requirements under Article XI, Section 3.

## **Article XII: Alumni Interest Groups (AIGs)**

### SECTION 1: DEFINITION

An Alumni Interest Group (AIG) is defined as a group of alumni and friends of the University who have common interests arising out of their University recognized co-curricular activities or common cultural or professional interests and who relate to and support the mission of the University and the Association.

### SECTION 2: PURPOSE

The purpose of AIGs shall be to (l) provide a means whereby alumni and friends of the University may join to-

gether for the enrichment of their respective interest groups and the University as a whole, (2) provide additional avenues for identification and contact within the Association; and (3) stimulate the continued interest in the University of all of its graduate and former students.

### SECTION 3: ORGANIZATION

- (a) Application to form an AIG shall be made by filing a petition with the Association signed by at least (50) persons who are members or associate members of the Association who propose to join the AIG. The petition must be accompanied by proposed bylaws for the AIG, and the names and addresses of the members of the interim Board of the proposed AIG.
- (b) The application of and bylaws for the proposed AIG shall be considered by a designated committee of the Association (the "Committee") to determine whether the application and bylaws have fulfilled the conditions of Article XII, Sections 1 and 2. After the Committee considers the application and bylaws of the proposed AIG, the application shall be forwarded to the Executive Board, with the recommendation of the Committee for approval or disapproval.
- (c) The Executive Board shall review the application, bylaws, and recommendation of the Committee and the Executive Board shall determine if the proposed AIG should be granted a probationary period or disapproved.
- (d) The Committee shall review the operation of the proposed AIG so that upon completion of the probationary period, it shall recommend to the Executive Board that the proposed AIG shall or shall not be issued a charter of formal recognition. If the Executive Board approves the issuance of a charter of formal recognition to the proposed AIG, the matter shall be forwarded to the Council, which shall take final action on the application and issuance of a charter of formal recognition of the proposed AIG.
- (e) An AIG shall operate as an official organization of the Association. The AIG shall conform to all rules and regulations promulgated by the Association and shall take no action in conflict with its own bylaws or with the articles of incorporation, bylaws, or mission of the Association.
- (f) In order to obtain and retain its recognized status, an AIG must:
  - 1. comply with the provisions of these bylaws and its own bylaws;
  - 2. maintain a membership of at least fifty (50) persons who are Members or Associate Members of the Association or a number of such Members equal to fifty (50%) percent of its total membership, whichever is greater;
  - 3. complete an annual report as required by Article XIV of these bylaws;
  - 4. hold at least one general meeting each year at which business is transacted.

### SECTION 4: CHANGE OF STATUS

- (a) When the requirements of Article XII, Sections 1, 2, or 3 have not been met by an AIG, the Executive Board, after notice to such AIG of its intention to do so, shall revoke the recognition of such AIG unless the Executive Board determines that the AIG has resumed compliance with the requirements of said provisions.
- (b) The Executive Board may grant inactive status upon written request of an AIG. The Executive Board may grant resumption of active status upon written request of an inactive AIG.

## SECTION 5: REINSTATEMENT

Reinstatement of the recognized status of an AIG whose charter has been revoked may be obtained only by fulfilling the original requirements under Article XII, Section 3.

### **Article XIII: Relations with the University**

- (a) No Chapter, Constituent Society, APG, or AIG shall publish, release, or endorse to the public any statement, complaint, or recommendation that conflicts in any way with the policies and administration of the University or of the Association without first having obtained the approval of the Executive Board.
- (b) In the interest of orderly procedure, communications from Penn State Chapters, Constituent Societies, APGs, or AIGs to the University shall be forwarded through the Association's Executive Director.

### **Article XIV: Annual Report**

Each Chapter, Constituent Society, APG, and AIG shall submit an annual report to the Association on or before September 1 of each year. The annual report shall be in a form prescribed by the Association and shall contain financial and such other information as is from time to time requested by the Association.

### **Article XV: Fundraising**

Fundraising activities of all Chapters, Constituent Societies, APGs, and AIGs shall not be in conflict with the University's development efforts. The Association shall be informed of all fundraising activities of Chapters, Constituent Societies, APGs and AIGs.

### **Article XVI: Fiscal Year**

The fiscal year of the Association, Chapters, Constituent Societies, APGs, and AIGs shall terminate on June 30.

### **Article XVII: Indemnification**

#### SECTION 1: LIMITATION OF DIRECTORS' LIABILITY

No member of the Council or Executive Board (referred to in this Article collectively as "Director" or "Directors") shall be personally liable for monetary damages as such for any action taken or any failure to take any action unless:

- (a) the Director has breached or failed to perform the duties of his or her office under Section 8363 of the Pennsylvania Directors' Liability Act (relating to standard of care and justifiable reliance), and
- (b) the breach or failure to perform constitutes self-dealing, wilful misconduct or recklessness; provided, however, that the provisions of this paragraph shall not apply to the responsibility or liability of a Director pursuant to any criminal statute, or to the liability of a Director for the payment of taxes pursuant to local, state or federal law.

## SECTION 2: INDEMNIFICATION AND INSURANCE

### (a) Indemnification of Directors and Officers

1. Each Indemnitee (as defined below) shall be indemnified and held harmless by the Association for all actions taken by him or her and for all failures to take action (regardless of the date of any such action or failure to take action) to the fullest extent permitted by Pennsylvania law against all expense, liability, and loss (including without limitation attorneys' fees, judgments, fines, taxes, penalties, and amounts paid or to be paid in settlement) reasonably incurred or suffered by the Indemnitee in connection with any Proceeding (as defined below). No indemnification pursuant to this paragraph shall be made, however, in any case where the act or failure to act giving rise to the claim for indemnification is determined by a court to have constituted willful misconduct or recklessness.
2. The right to indemnification provided in this paragraph shall include the right to have the expenses incurred by the Indemnitee in defending any Proceeding paid by the Association in advance of the final disposition of the Proceeding to the fullest extent permitted by Pennsylvania law; provided that, if Pennsylvania law continues so to require, the payment of such expenses incurred by the Indemnitee in advance of the final disposition of a Proceeding shall be made only upon delivery to the Association of an undertaking, by or on behalf of the Indemnitee, to repay all amounts so advanced without interest if it shall ultimately be determined that the Indemnitee is not entitled to be indemnified under this paragraph or otherwise.
3. Indemnification pursuant to this paragraph shall continue as to an Indemnitee who has ceased to be a Director or Officer and shall inure to the benefit of his or her heirs, executors, and administrators.
4. For purposes of this Article, (A) "Indemnitee" shall mean each Director or Officer of the Association who was or is a party to, or is threatened to be made a party to, or is otherwise involved in, any Proceeding by reason of the fact that he or she is or was a Director or Officer of the Association or is or was serving in any capacity at the request or for the benefit of the Association as a Director, officer, employee, agent, partner, or fiduciary of, or in any other capacity for, another corporation or any partnership, joint venture, trust, employee benefit plan, or other enterprise; and (B) "Proceeding" shall mean any threatened, pending or completed action, suit, or proceeding (including without limitation an action, suit or proceeding by or in the right of the Association), whether civil, criminal, administrative, or investigative.

### (b) Indemnification of Employees and Other Persons

The Association may, by action of the Council or Executive Board and to the extent provided in such action, indemnify employees and other persons as though they were Indemnitees. To the extent that an employee or agent of the Association has been successful on the merits or otherwise in defense of any Proceeding or in defense of any claim, issue or matter therein, the Association shall indemnify such person against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

### (c) Nonexclusivity of Rights

The rights to indemnification and to the advancement of expenses provided in this Article shall not be exclusive of any other rights that any person may have or hereafter acquire under any statute, provision of the Association's Articles of Incorporation or Bylaws, agreement, vote of Members or Directors, or otherwise.

### (d) Insurance

The Association may purchase and maintain insurance, at its expense, for the benefit of any person on behalf of whom insurance is permitted to be purchased by Pennsylvania law against any expense, liability or loss, whether or not the Association would have the power to indemnify such person under Pennsylvania or

other law. The Association may also purchase and maintain insurance to insure its indemnification obligations whether arising hereunder or otherwise.

(e) Fund for Payment of Expenses

The Association may create a fund of any nature, which may, but need not be, under the control of a trustee, or otherwise may secure in any manner its indemnification obligations, whether arising hereunder, under the Articles of Incorporation, by agreement, vote of Members or Directors, or otherwise.

SECTION 3: AMENDMENT

The provisions of this Article relating to the limitation of Directors' and Officers' liability, to indemnification and to the advancement of expenses shall constitute a contract between the Association and each of its Directors and Officers which may be modified as to any Director or Officer only with that person's consent or as specifically provided in this paragraph. Notwithstanding any other provision of these bylaws relating to their amendment generally, any repeal or amendment of this Article which is adverse to any Director or Officer shall apply to such Director or Officer only on a prospective basis, and shall not reduce any limitation on the personal liability of a Director of the Association, or limit the rights of an Indemnitee to indemnification or to the advancement of expenses with respect to any action or failure to act occurring prior to the time of such repeal or amendment. Notwithstanding any other provision of these bylaws, no repeal or amendment of these bylaws shall affect any or all of this Article so as either to reduce the limitation of Directors' liability or limit indemnification or the advancement of expenses in any manner unless adopted by the unanimous vote of the Directors of the Association then serving; provided that no such amendment shall have retroactive effect inconsistent with the preceding sentence.

SECTION 4: CHANGES IN PENNSYLVANIA LAW

References in this Article to Pennsylvania law or to any provision thereof shall be to such law (including without limitation to the Directors' Liability Act) as it existed on the date this Article was adopted or as such law thereafter may be changed; provided that

- (a) in the case of any change which expands the liability of Directors or limits the indemnification rights or the rights to advancement of expenses which the Association may provide, the rights to limited liability, to indemnification and to the advancement of expenses provided in this Article shall continue as theretofore to the extent permitted by law; and
- (b) if such change permits the Association without the requirement of any further action by Members or Directors to limit further the liability of Directors or limit the liability of officers or to provide broader indemnification rights or rights to the advancement of expenses then the Association was permitted to provide prior to such change, then liability thereupon shall be so limited and the rights to indemnification and the advancement of expenses shall be so broadened to the extent permitted by law.

**Article XVIII: Dissolution**

Should there be a dissolution of the Association, the Council shall, after paying and making provision for the payment of all liabilities of the Association, distribute all of its remaining assets to the University or its successor.

**Article XIX: Conflicts of Interest**

Any member of the Council, the Executive Director and/or any Associate or Assistant Director shall disclose any relationship which such person may have with any person, corporation, or other entity with whom or with

which the Association proposes to enter into any contract or other transaction which will or may result in his or her financial gain or personal advantage. Such persons shall not be present at meetings at which such proposed contracts or other transactions are discussed and further, shall abstain from voting upon such proposed contracts or transactions. If any such person shall fail to make the appropriate disclosure before the Association enters into such contract or transaction, the Executive Board may remove such person from the office or position held in the Association.

#### **Article XX: Amendments**

These bylaws may be amended, changed, or repealed by a two-thirds vote of the members of the Council present at any regular meeting or any special meeting, at which a quorum is present. Notice of the proposed amendment(s) to the bylaws shall be given to the members of the Council at least twenty (20) days prior to the meeting.