



Phi Kappa Psi Fraternity Educational Foudation

Executive Council Meeting – October 7, 2017

Atlanta, Georgia

At its March 2017 meeting, the Executive Council authorized and directed the establishment of Phi Kappa Psi Fraternity Educational Foundation ("PKPFEF") to ensure that the Fraternity will have a dependable source of funds for educational programming for its undergraduates. The basic steps to establish PKPFEF have been completed.

Some of the guiding concepts for PKPFEF are:

1. Must be operationally very efficient and have few, if any, employees or staff;
2. Must be operated by a third-party, foundation-experienced administrator;
3. Must ensure that Bylaws provide for all aspects of a responsive organization;
4. Must be representative of the undergraduate Members;
5. Must provide for orderly succession of term limits for Directors; and,
6. Must coordinate with all the operational areas of the Fraternity.

We believe we have accomplished these objectives. Additionally, we have determined that the investment management functions will be handled by BMO Global Asset Management that has approximately \$432 billion assets under management in over 100 countries around the world. BMO also advises the Permanent Fund and manages its assets.

PKPFEF has received the determination letter from the IRS approving PKPFEF's 501(c)(3) Public Charity status. Donations are tax-deductible to the fullest extent of the law. We are aggressively completing the requisite registrations in individual states. Rico is coordinating the registrations with the various state entities. PKPFEF is presently registered in **** states.

With the extensive foundation administrative activities being handled outside by a third-party corporate entity, the Directors and Officers will be able to concentrate on developing a solid donor base. PKPFEF's administrative activities are managed by Sterling Foundation Management, LLC based in Reston, Virginia.

PKPFEF's current board consists of Richard D. Starr, Ohio Delta '65 and Enrico Hernandez, California Beta '78. Organizing board members serve until the 2018 Grand Arch Council, at which time delegates to the GAC shall elect the full board of directors. We will be expanding the Board to ensure representation of a broad spectrum ages, experience and interests.

PKPFEF is looking forward to becoming a meaningful part of the fabric of Phi Kappa Psi Fraternity.

Respectfully submitted,

Richard D. Starr, Ohio Delta '65
Chairman