

The Delphi Foundation



Event and Activity Funding Support

The Delphi Foundation is an IRS recognized 501(c)3 tax-exempt organization. The Delphi Foundation was created specifically to be the non-profit philanthropic partner of Delta Lambda Phi National Social Fraternity.

The Foundation supports the Fraternity by funding scholastic, educational, philanthropic, and leadership development projects and programs. Donations to the Delphi Foundation are tax-deductible to the amounts allowed by state and federal tax codes. The Foundation provides a means for any person or business to make tax-deductible donations for use on behalf of the Fraternity, the Alumni Association, chapters, or colonies.

The Fraternity distinguished from The Foundation

Delta Lambda Phi Fraternity (DLP) is formed under section 501(c)7 of the IRS Code as a not-for-profit “social club” for the benefit of its members. As a “social club,” the activities of DLP are specifically restricted from competing with for-profit businesses for the purpose of earning a financial profit or benefit for its members. The IRS further requires the vast majority of the income for a “social club” Fraternity to come from member dues and fees. The Fraternity does not derive income from business activities and therefore pays no federal income tax – thus its status as a tax-exempt, Not-for-Profit organization. Donations to DLP are not tax-deductible for donors because the Fraternity can spend its money on ANY program or project that supports its activities as a social club -- social events, recreational activities, new member recruitment, and administrative expenses.

The Delphi Foundation is formed as a “Public Charity” under section 501(c)3 of the IRS Code. The Foundation must support one or more charitable purposes -- “charitable, religious, educational, scientific, literary, testing for public safety, fostering national or international amateur sports competition, or the prevention of cruelty to children or animals.” The Foundation’s income can come from a variety of sources including donations from individuals or businesses and income from its investments; but just like the Fraternity, the activities of the Foundation are specifically restricted from for-profit business activities. Aside from paying for administrative expenses, the use of the Foundation’s money is strictly limited to the aforementioned charitable activities the IRS Code allows, thus the Foundation cannot fund the social, recreational, or recruitment activities of the Fraternity.

Allowable Support by the Foundation

The typical support that fraternity foundations provide takes three forms:

- (1) Educational scholarships for post-secondary education.
- (2) Leadership education and skills-based training support.
- (3) Service projects and support for other qualified charities.

(1) Educational Scholarships

The Delphi Foundation administers an educational scholarship program for members of Delta Lambda Phi Fraternity based on academic merit, leadership potential, community service activities, or financial need. Scholarship recipients must be enrolled in accredited post-secondary education programs including technical schools, undergraduate programs, graduate programs, doctoral programs, and seminary schools. The Delphi Foundation established its competitive academic scholarship program in 2008.

The Foundation can also administer scholarships on behalf of any chapter or alumni association of Delta Lambda Phi. The Foundation can assist interested chapters in creating, endowing, and administering scholarship programs. Scholarship awards do not need to be limited to members of the Fraternity; the Foundation can award scholarships to any member of the general public.

(2) Leadership Education

The Delphi Foundation can provide grants for registration fees, presenters, facility rental, travel, lodging, supplies, and related expenses for educational and leadership skills events. Such events may include, but are not limited to, the following types of programs and events:

- Educational events at National Conventions
- Educational events at Regional Conferences
- Educational speakers, presenters, and faculty honoraria
- Expenses for attending Campus and College Leadership Conferences
- Expenses for attending regional conferences
- Chapter and regional Leadership Education
- Chapter educational or team-building retreats
- Educational programs on health issues such as eating disorders, AIDS, alcohol abuse, substance abuse, depression, date rape, and hazing
- Chapter officer training performed by professional trainer or campus
- Risk Management education
- Mentored team building events (confidence course, ropes course, etc.)
- Personal skills training and education (planning, project, time management)
- Character and values-based leadership programs
- Leadership consultant visits to chapters

Activities that DO NOT qualify as education include political activities, a chapter's pledge education program, and events that are administrative activities of a chapter, including:

- Chapter pledge education
- Rush events
- Pledge program events where only pledges participate
- Chapter planning retreats (annual planning events)
- National Convention registration
- Political conventions

The Delta Lambda Phi National Convention does NOT qualify as an educational conference event for the purpose of funding travel, lodging, or registration despite there being an educational component. The reason is that the National Convention is a Bylaws required event at which the business of the Fraternity (a 501(c)7 membership organization) is conducted. Therefore the primary purpose of the National Convention is to conduct business; the educational component being an incidental activity to that primary purpose. The expenses related to the educational

component (speakers, materials, facilities) can be funded as a qualifying educational expense. The educational component can include seminars related to chapter a

Delta Lambda Phi Regional Conferences qualify as educational conference events. The primary purpose of regional conferences is to provide educational presentations and team building events. While there may be incidental business portions of the conference, those are optional and not required by the National Bylaws. The real limiting factor for funding expenses related to regional conferences is that the reality that the Delphi Foundation has limited assets, so requests for reimbursement to attend a regional conference must use the same competitive funding application process.

The basis of the educational grants provided by the Delphi Foundation for leadership training in furtherance of its educational purposes is that each participant receives training to improve skills and capabilities that can be used in any organization despite there being a benefit to the fraternity.

There are situations where a chapter-run educational activity will not qualify for funding, however training on how to better run those chapter educational activities will qualify. For example, chapter pledge education does not qualify for funding because it is a fundamental chapter activity to support the operation of the "social-club" aspects of a chapter. However, educational seminars on best practices or how to improve pledge education will qualify. The distinction is that actual pledge education is a "social-club" activity and learning how to do better pledge education is knowledge and skills that can be applied to the conduct of any form of education. By the same token, rush activities of a chapter will not qualify, but workshops on doing rush better, or on recruitment skills in general, will qualify.

For other activities that may be eligible for Foundation funding, chapters should consult with the Foundation in advance to determine if the event is eligible.

(3) Service Projects and Support for qualified charities

Expenses and seed-money related to the conduct of public service projects can be funded by the Delphi Foundation. Direct donations to other qualifying 501(c)3 organizations can be requested from chapter encumbered funds. Reasonable expenses in support of the event will be considered and may include supplies, meals, travel, lodging, informational brochures, advertising, etc. when in support of a qualifying service project. Types of events include:

(1) Sweat Equity Events

An event where labor is provided to perform a service, improve a facility, perform a fundraiser, or support a charity. Examples include, but are not limited to, Habitat for Humanity, AIDS walks, Community Center support, day camps for disabled children, etc.

(2) Fundraising Event Seed Money

Seed money to perform a fundraising event where the proceeds will be used to support and go to a charitable cause or other 501(c)3 organization. It is usually expected that the seed money provided is reimbursed to the Delphi Foundation and that the proceeds above operating expenses goes to the designated charity. The charitable cause can include a chapter's encumbered account.

(3) Direct Donations to qualified charities

Direct donations to other 501(c)3 charities can be made from chapter "encumbered account" funds.

Encumbered Chapter Accounts

The Delphi Foundation can establish a separate “encumbered account” for each chapter, colony, and sub-entity of Delta Lambda Phi. Contributions to the Foundation can be designated for that encumbered account for the sole qualified use of the owning chapter of that account for qualifying educational or charitable uses.

Requests for use of encumbered funds do not go through Delphi’s competitive grant request approval process. Requests for encumbered funds simply require the chapter to approve the use and the Delphi Foundation to confirm the request meets a qualified charitable use. To receive final payment of the grant or reimbursement, the chapter must provide the Foundation with copies of actual invoices or other documentation supporting the amount of the payment request.

Chapters may establish more than one chapter “encumbered account” with the Foundation. An additional account may be established for special purposes such as academic scholarships. Donations can then be donated or assigned to that special purpose account and restricted to that specified use. For example, the donations to a restricted scholarship account may only be used to fund scholarships.

In addition, accounts can be further restricted as an endowment account such that only the earnings on investment from the endowment account can be withdrawn for use. All contributions to an endowment account are used to build the endowment. This approach is often used for scholarship accounts.

For further information on use, fees, and loads on encumbered fund accounts, refer to the Delphi Foundation’s Policy on Encumbered Funds.