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**COMMONWEALTH OF PENNSYLVANIA**  
 Department of State  
 Bureau of Corporations and Charitable Organizations  
 PO Box 8722  
 Harrisburg, Pennsylvania 17105-8722  
**ARTICLES OF INCORPORATION - NONPROFIT**  
 Fee: \$125

Pennsylvania Department of State

**-FILED-**

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**DSCB:15-5306/7102 (rev. 1/2023)**

In compliance with the requirements of [15 Pa.C.S. § 5306](#) (relating to articles of incorporation) or [15 Pa.C.S. § 7102](#) (relating to cooperative corporations generally), the undersigned, desiring to incorporate a nonprofit/nonprofit cooperative corporation, hereby state(s) that:

## Nonprofit Corporation Type

Filing type Domestic Nonprofit Corporation  
 Nonprofit filing subtype Nonprofit Corporation

## Corporation Name

Business name ChicoryLane Foundation

## Effective Date

The filing shall be effective when filed with the Department of State

The corporation is incorporated under the Nonprofit Corporation Law of 1988 for the following purpose or purposes.  
 The purpose of the ChicoryLane Foundation is to preserve ecologically significant undeveloped land and water, and to continue a program of ecological educational, aesthetic, and research activities associated with that land and water.

## Additional Information

**The corporation does not contemplate pecuniary gain or profit, incidental or otherwise.**

The incorporators constitute a majority of the members of the committee authorized to incorporate such association by the requisite vote required by the organic law of the association for the amendment of such organic law.

This corporation shall have no members.

## Registered Office

The address of this corporation's proposed registered office in this Commonwealth is

JOHN B. SMITH  
 246 BRUSH MOUNTAIN RD  
 SPRING MILLS, PA 16875

CENTRE

## Stock

The corporation is organized on a nonstock basis

## Incorporators

Name of individual or organization	Address
JOHN B SMITH	246 Brush Mountain Rd. PO Box 132 SPRING MILLS, PA 16875
Catherine F Smith	246 Brush Mountain Rd. PO Box 132 Spring Mills, PA 16875

## Additional provisions, if any

Additional provisions additionalProvisions.pdf

## Electronic Signature

IN TESTIMONY WHEREOF, the incorporator(s) has/have signed these Articles of Incorporation

<i>John B. Smith</i>	<i>05/29/2024</i>
JOHN B SMITH	Date

<i>Catherine F. Smith</i>	<i>05/29/2024</i>
Catherine F Smith	Date

**Additional Provisions:**  
**Articles of Incorporation – Nonprofit**  
**ChicoryLane Private Operating Foundation**

**Article I: Purpose**

This corporation is organized exclusively for the preservation and maintenance of undeveloped, ecologically significant lands and for charitable, educational, aesthetic, scientific, and similar purposes, including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under Section **501(c)(3)** of the Internal Revenue Code, or the corresponding section of any future federal tax code. Specifically, this corporation is established to operate as a **private operating foundation** as defined in Section 4942(j)(3) of the Internal Revenue Code, **dedicating a significant portion of its resources to the active conduct of its exempt activities, directly carrying out its charitable purposes rather than merely funding other organizations.**

**Article II: Dissolution**

Upon the dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or to the federal government, or to a state or local government for a public purpose. Any such assets not disposed of shall be disposed of by a Court of Competent Jurisdiction of the county in which the principal office of the corporation is then located, exclusively for such purposes.

**Article III: Prohibited Distributions**

No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its members, trustees, officers, or other private persons, except that the corporation 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 in Article I hereof. Furthermore, the corporation is only authorized to reimburse expenses incurred by disqualified persons as defined in Section 4946(a) of the Internal Revenue Code, or the corresponding section of any future federal tax code, in the course of performing services or carrying out activities that directly advance the corporation's exempt charitable purposes. Such reimbursements shall be made only if the expenses are reasonable, necessary, documented, and directly related to the exempt

purposes of the corporation. All such reimbursements must be approved in accordance with the corporation's written policies and procedures designed to ensure that such payments do not constitute prohibited inurement or impermissible private benefit. This is to ensure that the corporation operates for charitable purposes and not for the benefit of private interests, thereby preventing any possibility of inurement or impermissible private benefit.

#### **Article IV: Prohibited Activities**

No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation 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.

#### **Article V: Asset Test**

We expect to satisfy Private Operating Foundations qualifying tests in the following manner:

- Income Test
  - We expect to meet the Income Test through Minimum Investment Returns:
    - Annual Return on Investment for the Foundation Endowment calculated using the Average of the value of the Endowment for each month of the Foundation's fiscal year
    - Minimum Investment Return calculated at 5% of the Annual Return on Investment
    - At least 85% of the Foundation's Minimum Investment Return (or Adjusted Net Income) will be spent directly for the Active Conduct of the Foundations Exempt Activities
- Endowment Test
  - We expect to meet the Endowment Test by using at least two-thirds (67%) of the Foundations Minimum Investment Returns
    - By making qualifying distributions directly for the Active Conduct of the Foundations Exempt Activities



**Bylaws**

**ChicoryLane Foundation**

**DEFINITIONS**

**Article I. As used in these Bylaws**

- a. "Foundation" means The ChicoryLane Foundation
- b. "Board" means the Board of Directors of the Foundation.
- c. "Chairperson" means Chairperson of the Board
- d. "Vice Chairperson" means Vice Chairperson of the Board
- e. "Secretary" means Secretary of the Board
- f. "Treasurer" means Treasurer of the Board
- g. "Family" refers to the two (2) related Co-Founders of the Foundation (John B. Smith and Catherine F. Smith) and their sole direct (1) Descendant (Ian J. Smith).
  - i. "Family Member" refers to an individual member of the aforementioned Family
  - ii. "Family Council" refers to the group of individual Family Member who may appoint Family Members as Family Directors with assigned Roles, as provided for in these Bylaws, at their discretion.
- h. "Director" means a duly elected member of the Board or a Family Member appointed by the Family as a member of the Board

**BYLAWS**

**Article I: Name and Purpose**

*Section 1. Name:* The name of this organization shall be "ChicoryLane Foundation" (hereinafter referred to as the "Foundation").

*Section 2. Purpose:* The purposes of the Foundation are to maintain ecologically significant undeveloped land and water and to provide a program of education and aesthetic activities consistent with the ecological and conservation values associated with that land and water.

**Article II. Principal office:** The principal office of the Foundation shall be located in Centre County, Pennsylvania.

**Article III. Fiscal Year.** The fiscal year of the Foundation shall be the calendar year.

**Article IV: Governance**

*Section 1. Board of Directors:* The Foundation shall be governed by a Board of Directors, which shall have the authority and responsibility to manage and oversee the affairs of the Foundation.

*Section 2. Composition of the Board:* The Board shall consist of up to nine (9) Directors, including

- a. Up to two (2) Directors appointed by the Family
- b. Up to seven (7) Directors duly elected by the Board
- c. If zero (0) or only one (1) Director(s) is/are appointed by the Family, up to two (2) additional Directors duly elected by the Board to total nine (9) Directors.
- d. Family Directors may be appointed by the Family Council.
- e. Non-Family Directors may be nominated by any member of the board and shall be elected by the affirmative votes of the majority of votes cast by Directors at the meeting at which a quorum is present.
- f. Director terms of service will normally be for three (3) years but may be staggered as determined by the Board so that approximately one-third (1/3) are elected, or appointed in the case of Family Directors, each year.
- g. Any Director may resign at any time for any reason by giving written notice to the Board.
- h. If a Board seat becomes vacant during a term, the Directors may appoint someone to fill the position, upon the affirmative votes of the majority of votes cast by Directors present at the meeting at which a quorum is present.
- i. A Non-Family Director may be removed by a two-thirds (2/3) vote of the Board at any regular or special meeting called for such purpose, on at least ten (10) days notice.
- j. The number of Non-Family Directors may be changed and shall be determined by a motion or resolution duly adopted, from time to time, upon the affirmative votes of the majority of votes cast by Directors present at the meeting at which a quorum is present.
- k. Upon the last to die of the Family Members, provisions within these Bylaws regarding Family Members may be changed by a motion or resolution duly adopted upon the affirmative votes of the majority of votes cast by Directors present at the meeting at which a quorum is present

*Section 3. Qualifications of Directors:* For nomination or election and service on the Board, each Non-Family Member Director shall:

- a. Be a natural person
- b. Have knowledge or experience in ecology, land and water conservation, historic structure preservation, education, the arts, organizational management, investment and finance, or other relevant fields.
- c. Be eligible to serve as Director for two (2) consecutive terms.
- d. Be ineligible to serve until at least one (1) calendar year has elapsed after serving two (2) consecutive terms.

*Section 4. Roles:* The members on the Board shall have the following Roles: - Chairperson, Vice Chairperson; Secretary, Treasurer, and Individual. The Board Members serving in these Roles, except for the Role of Individual, shall constitute the Officers of the Foundation

- a. Roles of Non-Family member Directors shall be appointed by nomination and the affirmative votes of the majority of votes cast by Directors at the meeting at which a quorum is present.
- b. Roles of Family Directors may be appointed by the Family Council.
- c. The Board of Directors shall foster and promote the Foundation's purposes at all times

*Section 5. Responsibilities of the Board:* The Board shall have the following Responsibilities:

- a. Establish Foundation policies
- b. Provide ways and means for collecting funds rightfully belonging to the Foundation
- c. Assure timely payment of all financial obligations of the Foundation
- d. Assure compliance with federal and state financial reporting requirements
- e. Maintain correct and complete financial records of account.
- f. Maintain a written annual report available for public inspection at the end of the fiscal year showing the following minimum information:
  - i. Assets and liabilities of the Foundation
  - ii. Principal changes in assets and liabilities during the fiscal year
  - iii. Revenue, expenses, and disbursements of the Foundation for the fiscal year
  - iv. Statement of the names and contact information for Foundation Directors during the fiscal year.

*Section 6. Responsibilities of the Officers:*

- a. The Chairperson will organize and lead the regularly scheduled board meetings. If the Chairperson cannot lead a meeting, they will arrange for another member of the Executive Committee to do so, in this order: Vice Chairperson, Secretary, Treasurer.
- b. The Vice-Chairperson acts as the Chairperson when the Chairperson is not available.
- c. The Secretary will keep records of all Board decisions. This includes taking minutes at all Board meetings, announcing meetings, sharing minutes and the agenda with all Board Members, and making sure all official records are kept up to date.
- d. The Treasurer will report on finances at each Board meeting. This includes helping prepare the budget and providing appropriate financial information to both Board Members and the public.

*Section 7. Voting Rights:* Voting rights on the Board shall be as follows: a. The Family members on the Board shall each have one (1) vote. b. Each Non-Family member on the Board shall have one (1) vote.

## **Article V: Meetings of the Board of Directors**

*Section 1. Regular Meetings:* The Board shall hold regular meetings two (2) times per year. The date, time, and location of these meetings shall be determined by the Chairperson.

*Section 2. Special Meetings:* Special meetings may be called by the Chairperson or by written request of four (4) members of the Board including at least one (1) Family Director.

*Section 3. Executive Sessions.* Upon adoption of a motion to do so, executive sessions of the Directors may be held when the matter is confidential, including without limitation the following:

- a. Removal of a Director
- b. Contract negotiations
- c. Personnel matters
- d. Budget review and preparation

*Section 4. Quorum:* A quorum for Board meetings shall consist of fifty (50) percent of the total voting members of the Board, including at least one Family Director, providing there is at least one Family Director on the Board.

*Section 5. Public Meetings.* All regular and special meetings of the Board shall be open to visitors:

- a. Subject to rules of order or codes of conduct adopted by the Board that do not conflict with these Bylaws,
- b. Visitors at a regular or special meeting of Directors shall be provided with a reasonable opportunity to speak.

*Section 6. Minutes of Meetings of the Board of Directors.* The Foundation's Secretary shall make and maintain minutes (the official record) of the proceedings of regular and special meetings of Directors.

*Section 7. Parliamentary Authority at Board Meetings. Robert's Rules of Order Revised, Fourth Edition: RulesOnline.com,* shall govern Board activity when they are applicable and when they are not inconsistent with these Bylaws or any special rules of order the Foundation may adopt.

## **Article VI. Committees**

*Section 1. The Board of Directors* may create or dissolve committees as the board deems necessary for the best interests of the Foundation. Committees shall have and exercise the authority of a charge given by the Board, which may be broadened, restricted, or extinguished

as the Board deems necessary for the best interests of the Foundation. However, no committee shall have the authority to amend or repeal these Bylaws, elect or remove any officer or director, adopt a plan of merger, or authorize the voluntary dissolution of the Corporation.

**Section 2. Executive Committee.** Between meetings of the Board of Directors, the day-to-day affairs of the Corporation may be conducted by an Executive Committee. The membership of the Executive Committee shall consist of the Chairperson, Vice Chairperson, Secretary, and Treasurer.

**Section 3. The Finance Committee** is responsible for the financial policies, oversight, financial operations, reporting, and compliance of the Foundation. The Committee is appointed by the Board and reports to the Board. It will normally be chaired by the Foundation's Treasurer or another individual with expertise in financial matters appointed by the Board. For a complete statement of the Foundation's financial policies, refer to Addendum B: Finance Committee, attached to these Bylaws.

## **Article VII: Finances**

**Section 1. Funding:** The Foundation shall be funded by an Endowment created by the Founding Family. Additional financial resources may be raised by the Board through donations, grants, and fundraising activities.

**Section 2. Financial Oversight:** The Treasurer shall be responsible for overseeing the financial affairs of the Foundation, including budgeting, financial review and reporting, and compliance with federal and state regulations. For a complete statement of the Foundation's financial policies, refer to Addendum B: Finance Committee, attached to these Bylaws.

## **Article VIII. Conflict of Interest, Self-dealing, and Inurement**

**Section 1 General Statement of Policy.** The Foundation is committed to maintaining the highest standards of integrity and fairness in all its dealings. To ensure these commitments are upheld, the Foundation adheres to strict policies regarding conflicts of interest, self-dealing, and inurement. These policies are designed to prevent any Foundation director, officer, employee, affiliated person, and Disqualified Persons from engaging in actions that could benefit their personal or financial interests at the expense of the Foundation or compromise their ability to make impartial decisions in the best interests of the Foundation.

**Section 2 Reference to Addendum.** For a complete statement of the Foundation's policies on conflict of interest, self-dealing, and inurement, including definitions, procedures for disclosure, and resolution of conflicts, refer to the Addendum A: Conflict of Interest, Self-Dealing, and Inurement Policy, attached to these Bylaws. This addendum provides detailed guidelines and procedures for identifying, disclosing, and addressing any actual, potential, or perceived conflicts of interest. All Directors, officers, employees of the Foundation, and Disqualified Persons are required to fully comply with the provisions of this policy as part of their association with the Foundation.

*Section 3 Compliance and Enforcement.* Compliance with the Conflict of Interest, Self-Dealing, and Inurement Policy is mandatory for all Foundation Directors, officers, employees of the Foundation, and Disqualified Persons. Violations of the policy will result in appropriate disciplinary action, up to and including termination of association with the Foundation. The Foundation reserves the right to amend the addendum as necessary to ensure continued compliance with legal requirements and best practices in governance.

### **Article IX: Amendments**

*Section 1. Amendment Procedure:* These bylaws may be amended by a two-thirds (2/3) vote of the Board members, including at least one (1) Family Member if the Board includes one or more Family Members at that time, present at a regular or special meeting, provided that notice of the proposed amendment(s) has been given in advance.

### **Article X: Limits of Liability**

*Section 1. Indemnification.* No Director or Officer of ChicoryLane Foundation will be personally responsible for paying damages, debts, or other obligations for actions taken or not taken in their role at ChicoryLane Foundation. However, this does not apply if a Director or Officer has acted dishonestly or engaged in deliberate wrongdoing.

*Section 2 Insurance.* The Board of Directors shall obtain insurance on behalf of the Directors, officers, and authorized agents of the Foundation against liabilities asserted against, incurred or arising out of their status in the Foundation, regardless of whether the Foundation would have the power to indemnify them against liability under these bylaws or other provision of law.

### **Article X: Dissolution**

*Section 1.* Upon the dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or to the federal government, or to a state or local government for a public purpose. Any such assets not disposed of shall be disposed of by a Court of Competent Jurisdiction of the county in which the principal office of the corporation is then located, exclusively for such purposes.

### **Article XI: Miscellaneous**

*Section 1. Compliance:* The Foundation shall operate in compliance with all applicable federal, state, and local laws and regulations.

*Section 2. Effective Date:* These Bylaws shall become effective upon approval by the Board.

*Section 3. Severability:* If any provision of these bylaws is found to be invalid or unenforceable, the remaining provisions shall remain in full force and effect.

## Addendum A: Conflict of Interest, Self-Dealing, and Inurement Policy

**Purpose:** The purpose of this policy is to protect the interests of ChicoryLane Foundation (the "Organization"), a Pennsylvania nonprofit entity, a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code, and operating as a Private Operating Foundation as defined and authorized by the IRS under section 4942(j)(3) of the Internal Revenue Code (IRC). This policy guides the Organization when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director, employee, or other key personnel. This policy also guides officers, Directors, employees, other key personnel, and any disqualified individuals in their interactions with the Organization. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

### Definitions:

- **Conflict of Interest:** A situation in which a person may have a dual interest, direct or indirect, in a transaction or arrangement that might affect the person's ability to act in the Organization's best interest.
- **Self-Dealing:** Any transaction in which a disqualified person (as defined by the IRS for private foundations) engages in direct or indirect financial transactions with the Organization that results in a personal and improper financial benefit.
- **Inurement/Private Benefit:** Any use of the Organization's income or assets that directly or indirectly benefits an insider or their family members, beyond what is considered reasonable compensation or reasonable reimbursement for expenses incurred on behalf of the Organization.

### Conflict of Interest Policy:

1. **Disclosure:** All Directors, officers, staff, and key employees shall disclose any interest in a transaction or arrangement that might constitute a conflict of interest, using the disclosure form provided by the Organization. This disclosure will be made upon hire or appointment and annually thereafter.
2. **Recusal:** Any person with a potential conflict of interest regarding a transaction or arrangement that comes before the Board or a committee shall leave the meeting during the discussion and vote on the transaction or arrangement.
3. **Approval:** Transactions or arrangements involving potential conflicts of interest may proceed only if they are determined to be fair, reasonable, and in the Organization's best interest. Such determinations must be made in good faith by a majority vote of the disinterested Directors or trustees.

### Policy on Self-Dealing:

- The Organization prohibits self-dealing transactions unless they are thoroughly reviewed and determined to be in the best interest of the Organization and after ensuring that all IRS regulations and requirements are fully met.

**Policy on Inurement/Private Benefit:**

- No part of the net earnings, properties, or assets of the Organization, on dissolution or otherwise, shall inure to the benefit of any private person or individual, any director or officer of the Organization, or Disqualified person. Compensation for services rendered and reimbursement for expenses incurred on behalf of the Organization shall be reasonable and not excessive.

**Enforcement:**

- Violations of the Conflict of Interest, Self-Dealing, and Inurement policies can result in disciplinary action, up to and including termination of employment or removal from the Board or office.
- The Board of Directors is responsible for enforcing compliance with these policies and shall conduct periodic reviews of adherence to the policy.

**Documentation and Records:**

- All disclosures of potential conflicts of interest, as well as decisions dealing with a possible conflict of interest, shall be recorded in the minutes of the meeting at which the disclosure was made or the action was taken. Documentation shall include the names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's or committee's decision as to whether a conflict of interest in fact existed, and the actions taken to address the conflict of interest.

This policy statement is made available to all Directors, officers, employees, and volunteers, and is to be strictly followed by everyone associated with ChicoryLane Foundation.

## Addendum B: Finance Committee

The Finance Committee shall manage the Foundation's financial health and ensures compliance with legal and regulatory requirements. Its duties, actions, and responsibilities can be broadly categorized into oversight functions, monthly tasks, and annual IRS requirements, as outlined below:

### Oversight Functions

1. **Financial Oversight:** Supervise the Foundation's financial activities to ensure they align with its mission, strategic goals, and budgetary constraints. This includes overseeing investment strategies, managing the endowment, and ensuring adequate liquidity for operational needs.
2. **Risk Management:** Identify and evaluate financial risks and implement strategies to manage these risks effectively.
3. **Compliance:** Ensure the foundation complies with all federal, state, and local laws and regulations related to its financial operations. This includes compliance with IRS regulations specific to private foundations.
4. **Policy Development:** Develop and review financial policies and procedures, including investment policies, spending policies, and conflict of interest and inurement policies, to ensure best practices in financial management and governance.
5. **Audit Oversight:** Coordinate with external auditors for external audits, review audit findings, and ensure any recommendations are implemented.

### Quarterly Tasks

1. **Financial Reporting and Analysis:** Review financial statements on a quarterly schedule and for Board meetings, including balance sheets, income and expense statements, and cash flow statements, to monitor the foundation's financial status and ensure it is on track to meet its financial objectives.
2. **Budget Monitoring:** Compare actual revenues and expenses against the budget, investigate variances, and recommend adjustments to the budget or operations as necessary.
3. **Cash Management:** Oversee cash flow planning to ensure the foundation has sufficient funds to cover its operational needs.

### Annual IRS Requirements

1. **Form 990-PF Preparation:** Oversee the preparation and submission of Form 990-PF, the annual tax return required for private foundations. This includes ensuring accurate reporting of the foundation's financial activities and adherence to minimum distribution requirements, described below.
2. **Minimum Distribution Requirement Compliance:** Ensure the foundation meets the IRS's minimum distribution requirement (MDR) to avoid excise taxes. This involves calculating the required amount to be distributed for charitable activities and ensuring these distributions are made timely.

3. **Excise Tax Management:** Manage and report excise taxes on net investment income, as applicable, and take steps to minimize taxes through careful planning and management of the foundation's investments.
4. **Record Keeping and Reporting:** Maintain comprehensive financial records and documentation to support the foundation's IRS filings and facilitate audits. This includes records of investment transactions, and expenses incurred.

The Finance Committee must work closely with the Board, foundation staff and any financial management personnel or services to execute these responsibilities effectively. Meetings as needed, detailed reporting, and clear communication channels between the committee, the Board of directors, and foundation staff are crucial for ensuring the Foundation's financial integrity and compliance with all legal and regulatory requirements.