

ALPHA SIGMA PHI FRATERNITY INC.
MINUTES OF GRAND COUNCIL MEETING

August 13-14, 1986
Ann Arbor, Michigan

81. CALL TO ORDER

Grand Senior President Donald R. Morgan called the meeting to order at 1:25 p.m. on Wednesday, August 13, 1986.

82. ROLL CALL

Members of the Grand Council in attendance: Grand Senior President Donald R. Morgan, Grand Junior President Robert A. Sandercox, Grand Treasurer Edmund A. Hamburger, Grand Secretary James V. Fitzpatrick, Grand Councilor Charles J. Vohs and Grand Councilor Dr. Dennis R. Parks. Also in attendance was: Robert M. Sheehan, Jr., Executive Director.

83. APPROVAL OF MINUTES OF DECEMBER 8, 1985 MEETING

It was moved by Brother Sandercox, seconded by Brother Vohs and passed unanimously to approve the minutes of December 8, 1985 with the amendment under Item 64, Roll Call, that Director of Scholarship Dr. Dennis R. Parks was in attendance at the meeting.

84. APPROVAL OF MAIL VOTES

It was moved by Brother Sandercox, seconded by Brother Vohs and passed unanimously to approve and record the affirmative responses to Mail Votes Number 187 through 195. (Exhibit A)

85. REPORT ON CHAPTER SERVICES

It was moved by Brother Hamburger, seconded by Brother Fitzpatrick and passed unanimously at 2:10 p.m. to revoke the charter of Gamma Phi Chapter, Concord College.

It was moved by Brother Sandercox, seconded by Brother Hamburger and passed unanimously to begin revocation proceedings on Delta Kappa Chapter, Francis Marion College.

It was moved by Brother Sandercox, seconded by Brother Hamburger and passed unanimously to approve the Report on Chapter Services. (Exhibit B)

86. REPORT ON EXPANSION

It was moved by Brother Sandercox, seconded by Brother Vohs and passed unanimously to approve the Report on Expansion. (Exhibit C)

87. REPORT ON THE PROVINCE PROGRAM

It was moved by Brother Sandercox, seconded by Brother Parks and passed unanimously to approve the Report on the Province Program. (Exhibit D)

88. REPORT ON SCHOLARSHIP

It was moved by Brother Vohs, seconded by Brother Sandercox and passed unanimously to approve the Report on Scholarship. (Exhibit E)

89. REPORT ON THE 1987 NATIONAL LEADERSHIP CONFERENCE

It was moved by Brother Parks, seconded by Brother Hamburger and passed unanimously to approve the Report on the 1987 National Leadership Conference. (Exhibit F)

90. REPORT ON BUDGET AND FINANCE

It was moved by Brother Hamburger, seconded by Brother Vohs and passed unanimously to approve the recommended budget for 1986-87 pending convention votes on fee increases.

It was moved by Brother Hamburger, seconded by Brother Fitzpatrick and passed unanimously to approve the proposed Foundation Grant Requests for 1986-87.

It was moved by Brother Hamburger, seconded by Brother Vohs and passed unanimously to approve the computer loan request from the Alpha Sigma Phi Educational Foundation as outlined in the report. (Exhibit G)

It was moved by Brother Hamburger, seconded by Brother Sandercox and passed unanimously to accept the Audit Report presented by the fraternity accountants.

It was moved by Brother Hamburger, seconded by Brother Vohs and passed unanimously to approve the Report on Budget and Finance. (Exhibit H)

At this point during the session, 4:30 p.m., Grand Marshal Ronald W. Dollens arrived at the meeting.

91. NEW BUSINESS

It was moved by Brother Fitzpatrick, seconded by Brother Hamburger and passed unanimously to appoint Brothers Richard R. Gibbs, Robert A. Sandercox and Donald R. Morgan as representatives to the International Council of Alpha Sigma Phi.

It was moved by Brother Sandercox, seconded by Brother Fitzpatrick and passed unanimously to authorize the Grand Senior President to make a recommendation and call a mail vote concerning the funding of an Alpha Sigma Phi-Philippines representative to the 1987 National Leadership Conference.

92. Grand Senior President Morgan recessed the Council at 5:40 p.m.
93. The Grand Council meeting was reconvened by Grand Senior President Morgan at 7:44 p.m., Thursday, August 14, 1986.

Grand Secretary James V. Fitzpatrick was not present during this session of the Grand Council meeting.

94. REPORT ON THE NATIONAL INSURANCE PROGRAM

It was moved by Brother Sandercox, seconded by Brother Dollens and passed 5 votes to 1 that \$100,000 be invested in the Fraternity Insurance Company conditional upon resolution of issues to be raised to the satisfaction of the Grand Council. Grand Councilor Dennis R. Parks was opposed.

It was moved by Brother Sandercox, seconded by Brother Dollens and passed unanimously to appoint Grand Treasurer Edmund A. Hamburger as Alpha Sigma Phi's nominee for Director of The Fraternity Insurance Company.

It was moved by Brother Hamburger, seconded by Brother Parks and passed unanimously to approve the Report on the National Insurance Program. (Exhibit I)

95. NEW BUSINESS

It was moved by Brother Dollens, seconded by Brother Parks and passed unanimously that the report given by immediate Past Grand Senior President Stan N. Miller to the Grand Council be recorded as a part of the official Grand Council minutes. (Exhibit I)

96. REPORT ON AWARDS

It was moved by Brother Vohs, seconded by Brother Sandercox and passed unanimously to approve the recommendations on awards. (Exhibit J)

97. DELTA BETA XI AWARDS

It was moved by Brother Sandercox, seconded by Brother Parks and passed unanimously that the following Brothers be included in the Delta Beta Xi Class of 1986:

Carl E. Moore, Loyola '86
Daniel Paul Babb, Marshall '80
Richard A. DiGiacomo, Lehigh '65
Donald L. Durward, U.C.L.A. '61
Jack M. Merrill, Washington '39

98. REPORT ON THE ANNUAL LOYALTY FUND

It was moved by Brother Parks, seconded by Brother Dollens and passed unanimously to approve the Report on the Annual Loyalty Fund as amended, changing the average gift percentage increase for 1983-84 in the report from 5% to 31%. (Exhibit K)

99. REPORT ON THE THIRD FOUNDING ENDOWMENT

It was moved by Brother Dollens, seconded by Brother Vohs and passed unanimously to approve the Report on the Third Founding Endowment. (Exhibit L)

100. REPORT ON PLANNED GIVING

It was moved by Brother Parks, seconded by Brother Hamburger and passed unanimously to approve the Report on Planned Giving. (Exhibit M)

101. NEW BUSINESS

It was moved by Brother Dollens, seconded by Brother Parks and passed unanimously to accept the Report from the National Headquarters Staff and Executive Director Robert M. Sheehan, Jr. on Alcohol Abuse Prevention.

102. At 9:37 p.m. it was moved by Brother Sandercox, seconded by Brother Hamburger and passed unanimously to adjourn the Grand Council Meeting.

Respectfully submitted,

Certified Correct,


Grand Secretary


Executive Director

APPROVAL OF MAIL VOTES 187, 188, 189, 190, 191, 192, 193, 194, and 195

- Mail Vote No. 187: Approval of the recommendation of the Finance Committee that, effective June 1, 1986, automobile reimbursement be increased for the traveling staff to the IRS standard.
- Mail Vote No. 188: Approval of colony status for the Alpha Sigma Phi Interest Group at State University of NY at Plattsburgh, NY, naming it the Phi Epsilon Colony
- Mail Vote No. 189: Approval of colony status for the Alpha Sigma Phi Interest Group located at the University of Iowa at Iowa City, Iowa naming it the Alpha Beta Colony.
- Mail Vote No. 190: Approval of colony status for the Alpha Sigma Phi Interest Group located at Tufts University at Medford, MA naming it the Beta Iota Colony.
- Mail Vote No. 191: Approval of purchase of the computer system proposed by Earthrise Micro Systems and acceptance of the resolution regarding its financing.
- Mail Vote No. 192: Approval of colony status for the Alpha Sigma Phi Interest Group located at Lock Haven University at Lock Haven, PA naming it the Phi Zeta Colony.
- Mail Vote No. 193: Approval, upon the recommendation of the Finance Committee, that \$26,500 be transferred from Designated Long-Term Investments to Undesignated Funds in the General Fund.
- Mail Vote No. 194: Approval of a loan to Gamma Chi Chapter from the Emergency Fund of the Fraternity for \$8,000 at 11% per annum interest, to be repaid by February 1, 1987.
- Mail Vote No. 195: Approval that the Fraternity present the 1986 Evin C. Varner Distinguished Service Award to Brother Stan N. Miller.

REPORT ON CHAPTER SERVICES

I. CHAPTER VISIT AND CONSULTATION PROGRAM

We are proud to add **Geoffrey M. Connell, Michigan '82** to our staff as Chapter Leadership Consultant and to have for a second year, Associate Directors of Chapter Development **Randall S. Lewis, Oregon State '81** and **Richard G. Kahler, Radford '82**. Randy, Rich, and Jeff will be traveling extensively to our colonies and chapters to help improve chapter operations and programs. Randy and Rich will be traveling somewhat less than last year and have taken on additional administrative responsibilities.

Every chapter's needs were reviewed during our summer staff retreat. As a part of our review we evaluated the probable effect a staff visit would have on a chapter. By factoring needs and effectiveness together, we set travel priorities. This approach is used to assure that we use our staff resources in an efficient and productive manner.

Our top priority group for visits are:

- | | |
|----------------------|-----------------|
| - Atlantic Christian | - Miami |
| - Baldwin-Wallace | - Missouri |
| - Cal-Berkeley | - N.C. State |
| - Illinois Tech | - N.J.I.T. |
| - Indiana | - U.C.L.A. |
| - Iowa State | - UNC-Charlotte |
| - Lycoming | - Presbyterian |
| - Marietta | - R.P.I. |

The top ten in our next level priority group are:

- | | |
|-------------------|------------------|
| 1. Toledo | 6. Hartwick |
| 2. Ohio State | 7. Tulane |
| 3. Stockton State | 8. Lawrence Tech |
| 4. East Carolina | 9. Ohio Northern |
| 5. Loyola | 10. Westminster |

II. MEMBERSHIP STRENGTH AND STATUS

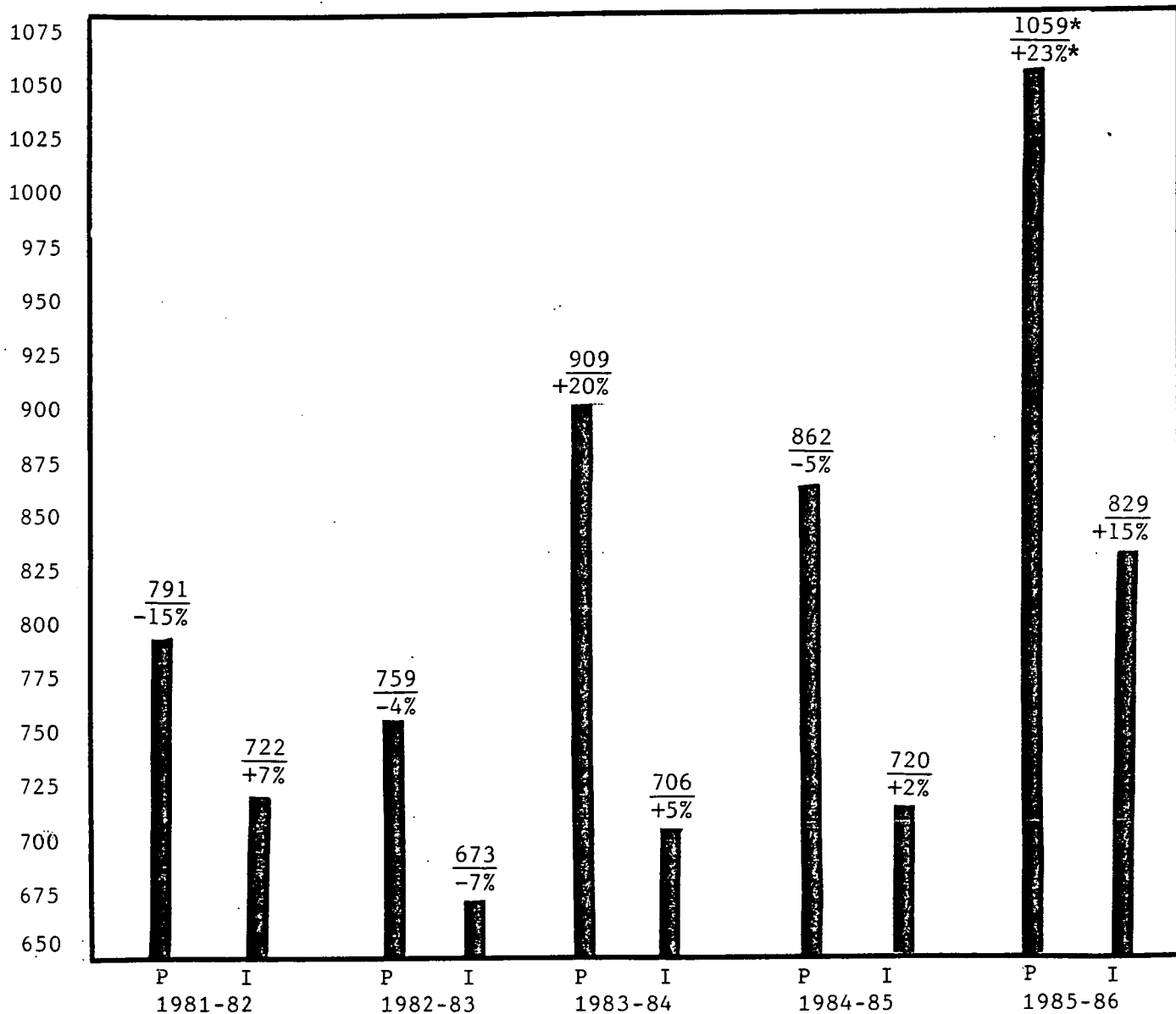
Membership Statistics

1985-86 Status: 53 chapters
5 colonies

On suspension: Baldwin-Wallace
Closed: Northern Michigan
Revocation vote scheduled: Concord

The following information concerns current levels of reporting of members and general statistics related to overall chapter size.

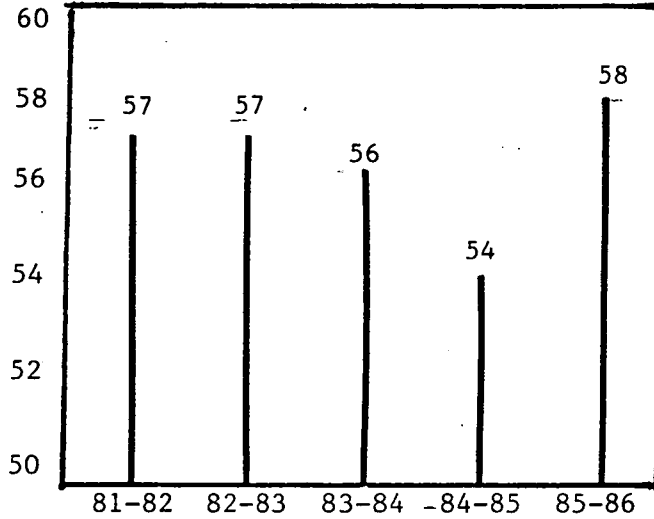
REPORTED PLEDGES AND INITIATES



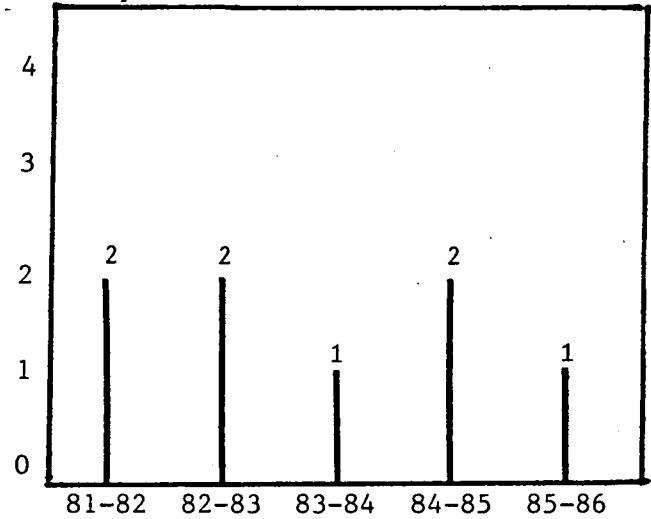
P=Pledges
I=Initiates

*Without colonies: 917 and +6.5%.

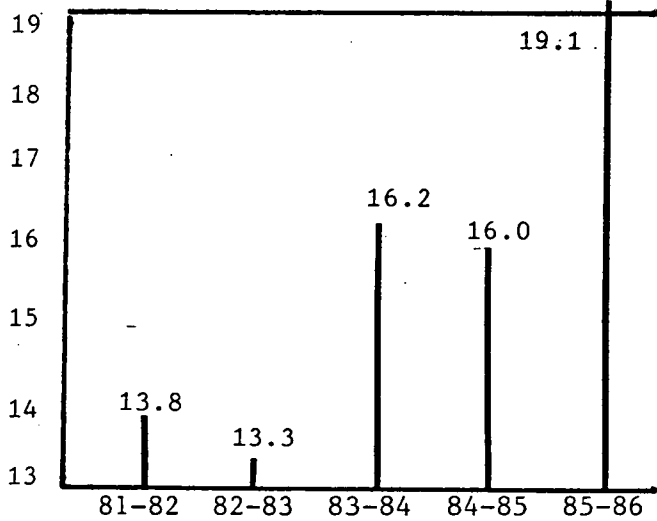
Number of Chapter/Colonies



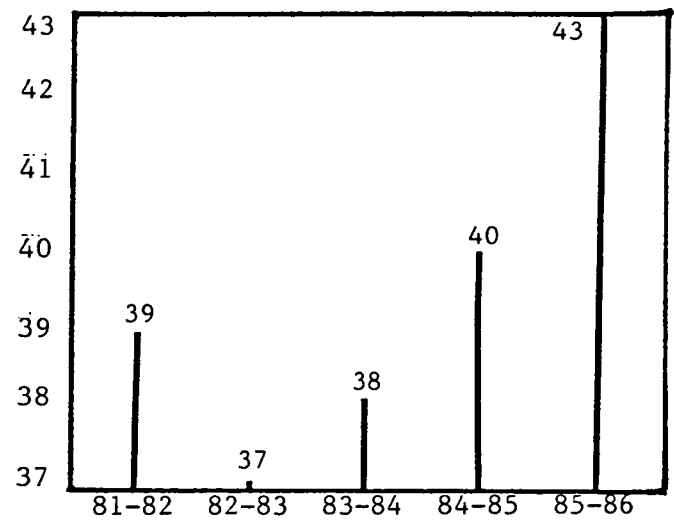
Chapters Closed



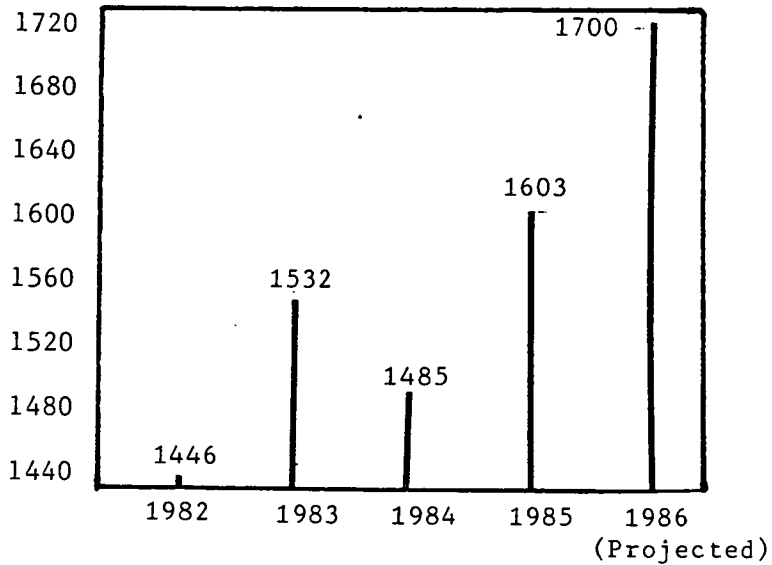
Average Pledges per Chapter/Colony



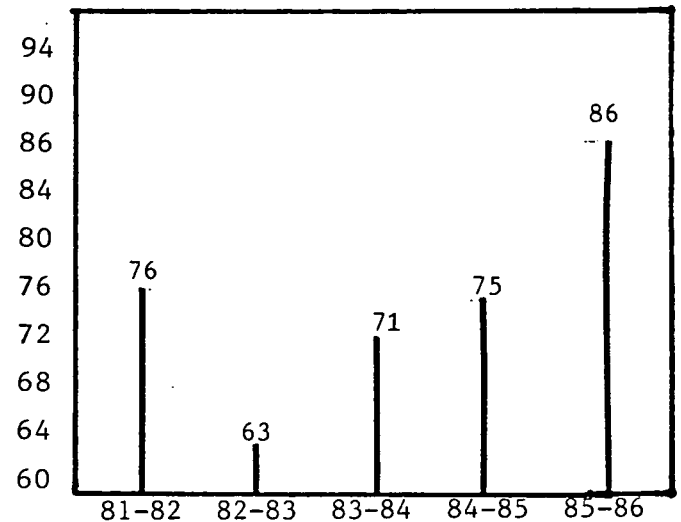
Average Chapter/Colony Size



Brothers/Pledges (Fall)



%Chapter/Colonies Above 25 Members (Year End)



III. CHAPTERS OF PARTICULAR CONCERN

Charleston - Gamma Mu Chapter

The Greek system at the University of Charleston remains very weak and small. Gamma Mu Chapter will be returning with 15 men. The chapter has incurred a large debt to the fraternity, and has no real financial structure to work from. The staff feels the best way to motivate the chapter is to set and monitor performance standards.

Francis Marion - Delta Kappa Chapter

Francis Marion, Delta Kappa Chapter, for all purposes has already left the active chapter status. They met once last spring with about seven men and no interest or enthusiasm was shown. A revocation vote should be scheduled for the winter meeting. The campus probably would not be a good place to start a chapter again.

Missouri - Alpha Theta

The three critical issues for this chapter are membership recruitment, finances, and leadership. Rich will be devoting a good bit of time working with Alpha Theta. The staff believes the chapter can begin to resolve its problems with a strong rush in the fall. We also need to work with them on establishing goals, direction and leadership, as well as working to eliminate their indebtedness.

N.C. State - Beta Zeta Chapter

N. C. State, Beta Zeta Chapter, is returning with about twelve men next year. Rush is going to be the deciding factor for them. Consideration should be given to totally reorganizing the group and starting from scratch if rush fails. An early fall visit is planned to help the group.

Oklahoma - Alpha Alpha

The staff has dedicated a great deal of time to Alpha Alpha over the last year, and unfortunately has meet with little success. The plan for the coming academic year is to develop some performance standards for them to meet over a period of five months and monitor their progress. At the January Grand Council meeting the staff will make a recommendation whether or not to suspend the charter and place the current under-graduates on alumni status with plans for an immediate reorganization in the fall of 1987.

ACTION ITEMS

1. Revocation vote on Concord College, Gamma Phi Chapter, Charter (See Attachment B).
2. To begin revocation proceedings on Delta Kappa Chapter, Francis Marion College.
3. Acceptance of Report.

CHAPTER CHECK LIST

August, 1986

<u>CHAPTERS</u>	<u>Year-End Size</u>			<u>Returning 1986-87</u>
	<u>1983-84</u>	<u>1984-85</u>	<u>1985-86</u>	
<u>Province I</u>				
Univ. of California, Berkeley Nu	35 Strong	39 Strong	43 Average	36
Univ. of California, Los Angeles Alpha Zeta	40 Colony	29 New	35 Average	29
Oregon State University Psi	50 Average	72 Strong	75 Strong	66
Univ. of Washington Mu	83 Very Str.	87 Very Str.	86 Very Str.	67
<u>Province II</u>				
Iowa State University Phi	55 Strong	52 Strong	36 Average	35
Univ. of Missouri Alpha Theta	39 Average	39 Weak	37 Very Weak	33
Missouri Valley College Alpha Omicron	24 Weak	35 Average	26 Average	19
Univ. of Oklahoma Alpha Alpha	14 Very Weak	17 Very Weak	21 Very Weak	18
<u>Province III</u>				
Univ. of Illinois Eta	50 Strong	57 Strong	63 Very Str.	61
Illinois Inst. of Tech. Alpha Xi	22 Weak	29 Average	31 Weak	28
Indiana University Gamma Chi	75 Strong	61 Average	63 Average	47
Loyola University Delta Alpha	31 Weak	48 Weak	51 Average	35
Purdue University Alpha Pi	108 Very Str.	104 Very Str.	105 Very Str.	80

Chapter Check List - Page 2

	Year-End Size			Returning
	<u>1983-84</u>	<u>1984-85</u>	<u>1985-86</u>	<u>1986-87</u>
<u>Province IV</u>				
Lawrence Inst. of Tech. Gamma Psi	30 Average	33 Average	29 Average	24
Univ. of Michigan Theta	30 Average	36 Average	47 Average	33
Univ. of Toledo Beta Rho	63 Average	59 Average	39 Weak	37
Tri-State Univ. Beta Omicron	19 Average	24 Weak	22 Very Weak	17
<u>Province V</u>				
Baldwin-Wallace College Alpha Mu	9 Very Weak	11 Very Weak	21 Weak	20
Bowling Green St. Univ. Gamma Zeta	44 Strong	35 Strong	36 Average	33
Ohio Northern Univ. Gamma Alpha	39 Average	34 Average	43 Average	34
Ohio State Univ. Zeta	19 Weak	20 Weak	18 Average	16
<u>Province VI</u>				
Bethany College Beta Gamma	51 Strong	45 Strong	50 Strong	44
Univ. of Charleston Gamma Mu	10 Very Weak	18 Very Weak	20 Very Weak	17
Davis & Elkins College Gamma Delta	26 Average	33 Average	25 Average	19

Chapter Check List - Page 3

Province VI (Cont'd)

	Year-End Size			Returning
	<u>1983-84</u>	<u>1984-85</u>	<u>1985-86</u>	<u>1986-87</u>
Marietta College Delta	44 Weak	50 Weak	46 Weak	31
Marshall University Beta Delta	33 Weak	22 Average	51 Strong	44
Rio Grande College Delta Epsilon	30 Average	27 Average	39 Average	32
Slippery Rock Univ. Delta Delta	27 Weak	19 Weak	28 Average	21
Westminster College Alpha Nu	81 Average	59 Average	54 Average	40

Province VII

Atlantic Christian College Gamma Lambda	23 Average	24 Average	27 Weak	21
Concord College Gamma Phi	18 Very Weak	10 Very Weak	--	--
East Carolina Univ. Delta Eta	42 Average	46 Average	42 Average	38
Longwood College Delta Iota	31 Average	37 Strong	44 Average	34
North Carolina St. Univ. Beta Zeta	18 Weak	19 Weak	15 Very Weak	12
Radford University Celta Theta	45 Very Str.	55 Strong	55 Strong	44
Wake Forest University Beta Mu	71 Very Str.	68 Strong	72 Strong	57

Province VIII

Francis Marion College Delta Kappa	13 Very Weak	11 Very Weak	4 Very Weak	4
Univ. of Miami Gamma Theta	28 Average	30 Weak	32 Average	19
UNC-Charlotte Delta Zeta	20 Weak	38 Average	38 Weak	29

Chapter Check List - Page 4

Province VIII (Cont'd)

	Year-End Size			Returning
	<u>1983-84</u>	<u>1984-85</u>	<u>1985-86</u>	<u>1986-87</u>
Presbyterian College Alpha Psi	28 Average	19 Weak	17 Weak	15
Tulane University Gamma Omicron	24 Weak	24 Weak	23 Weak	20

Province IX

American University Beta Chi	28 Average	32 Average	46 Average	40
Lehigh University Beta Epsilon	54 Very Str.	59 Very Str.	57 Very Str.	47
New Jersey Inst. of Tech. Alpha Rho	29 Weak	36 Average	27 Average	24
Rutgers University Beta Theta	51 Average	42 Average	43 Weak	34
Stevens Inst. of Tech. Alpha Tau	45 Strong	37 Average	48 Weak	29
Widener University Gamma Xi	42 Weak	59 Average	72 Weak	60
Stockton State College Delta Lambda	28 Colony	25 New	44 Average	32

Province X

Cornell University Iota	62 Strong	63 Very Str.	75 Very Str.	61
Hartwick College Beta Xi	38 Weak	40 Weak	55 Average	45
Lycoming College Gamma Rho	37 Average	52 Average	40 Weak	39
Pennsylvania State Univ. Upsilon	55 Strong	59 Strong	62 Strong	52
R. P. I. Beta Psi	45 Average	48 Average	30 Weak	23

Chapter Check List - Page 5

<u>COLONIES</u>	<u>Year-End Size</u>			<u>Returning</u> <u>1986-87</u>
	<u>1983-84</u>	<u>1984-85</u>	<u>1985-86</u>	
Lock Haven University Phi Zeta Colony	--	--	29	29
Plattsburgh State Phi Epsilon Colony	--	--	23	23
Tufts University Beta Iota Colony	--	--	30	27
William Paterson College Phi Delta Colony	--	--	43	43
University of Iowa Alpha Beta Colony	--	--	19	19



NATIONAL HEADQUARTERS
24 WEST WILLIAM STREET
DELAWARE, OHIO 43015

614-363-1911

Attachment B

TO: All Gamma Phi Chapter, Concord College, Alumni
FROM: Robert M. Sheehan, Jr., Executive Director
RE: Chapter Status
DATE: May 1, 1986

Last August I wrote informing you that 1985-86 would be a make or break year for Gamma Phi Chapter and asking for your help. After considerable problems in 1984-85, only five men returned to campus last September.

Unfortunately, the chapter has been unsuccessful in attracting any new members this year. Our Chapter Leadership Consultant, Randy Lewis, made visits to campus to help the men, but the condition of the Greek System has been too much for the chapter to handle.

By this past March all five members had either given up hope or left school. There is currently no one represented as an active member of the Fraternity on campus.

Therefore, the Grand Council has scheduled a vote on the revocation of the chapter's charter at their next regularly scheduled meeting on Wednesday, August 13, at 2:00 p.m. at The Campus Inn in Ann Arbor, MI. Unless any alumni come forward with a plan to revive the chapter, the Grand Council will have a hard time deciding to keep a chapter open with no members.

I encourage you to write the Grand Council at the above address if you are interested in helping revive the chapter. We at the National Headquarters stand ready to help you!

RMS/slg

cc: Donald R. Morgan, Grand Senior President

REPORT ON EXPANSION

Associate Director of Chapter Development, Randall S. Lewis, is responsible for expansion this year. Although not a great deal of time has been dedicated to expansion because of required time with colonies, chapters, chapter programs and other responsibilities the Associate Directors of Chapter Development have, it is indeed a concern and additional responsibility.

Currently there are three possibilities for expansion next year:

University of Kentucky, Sigma, has selected Alpha Sigma Phi to make a presentation to the IFC August 25;

University of Alabama, Alpha Iota, has expressed an interest in Alpha Sigma Phi coming onto their campus in the near future.

Yale University, Alpha, is where Tom spent much time last spring with little success. Because of this and the fact that many chapters are very small (Kappa Alpha Theta chartered with less than 15 members), we will concentrate our efforts on our new colonies and consider Alpha in '87-88.

The future of the expansion program consists mostly of making more contacts and gathering indepth information at those sites to be able to prioritize and plan future expansion possibilities. However, with all the other responsibilities Randy has, he will be unable to spend a great deal of time making these contacts.

The future also includes dealing with certain situations as they come up at the Headquarters. Last spring four colonizations took place as a result of contacts from students on campuses.

A brief update on our five colonies follows:

William Paterson, Phi Delta Colony, currently has 44 members. They plan to grow to 60 by October 1st and do some major fundraisers to help defray the costs of Chartering. Chartering is tentatively scheduled for December 13, 1986.

University of Iowa, Alpha Beta Colony, is returning with 19 men. Their major challenge is recruiting more men, becoming financially stable and overall organization. Cost of competitive housing is a major concern here!

State University of New York, Plattsburgh, Phi Epsilon Colony will return with 23 men. Rush is a major concern as well as finances and organization. Housing is also a concern to this group.

Tufts University, Beta Iota Colony, will return with 27 men. The founders of the group have graduated. Top challenges will include Rush, Pledge Education and organization. The alumni have \$65,000 in a money market account to make a down payment on a house.

Lock Haven University, Phi Zeta Colony, will return with 29 men. Their colonization banquet will be held early this fall semester. Rush, finances and organization are also top concerns. They will have a dorm floor to live on, but they are talking of buying a house.

ACTION ITEMS:

1. Acceptance of Report.

REPORT ON THE PROVINCE PROGRAM

Grand Province Chiefs

Province I: Robert W. Kutz, California '67
Province II: Bradley A. Barling, Iowa State '80
Province III: Robert G. Cabello, Michigan '70
Province IV: Gary A. Lewis, Lawrence Tech '72
Province V: Christopher J. Koch, Indiana '79
Province VI: Vacant
Province VII: Don M. Blevins, Marshall '70
Province VIII: Donald Goforth, UNCC '78
Province IX: Vacant
Province X: Otto L. Sonder, American '47

The Grand Province Chief positions for Provinces VI and IX may be filled by the end of the National Leadership Conference & Convention. Six of our current chiefs will be attending the conference, and a special educational program will be held with them on Saturday. Special concentration will be given to activating Grand Chapter Advisors this year.

Recognition of the volunteer services of all Grand Province Chiefs and Grand Chapter Advisors will be made in the summer issue of The Tomahawk. Additional recognition of these volunteers was made this year by sending out certificates of appreciation (Attachment A.)

Province Conclaves

Our conclave program continues to have sporadic success. An excellent conclave was held at Illinois Tech in the fall for Provinces III, IV, and V, while other provinces had either low attendance, poor programs, or both. The staff will be developing a "regional leadership academy" concept which may replace or augment conclaves by spring 1988. The basic idea is that chapter leaders would attend one of four regional weekend conferences coordinated by the staff and held at off-campus retreat centers.

ACTION ITEMS:

1. Acceptance of report.

REPORT ON THE SCHOLARSHIP PROGRAM

The top priority of the scholarship program is the creation of an undergraduate Scholarship Director's Manual that will provide practical ideas for chapters to implement to improve the scholastic performances of their members. Already a Scholarship Guide is sent to every fraternity pledge when he joins and scholarship certificates for chapter and individual scholarship performance and improvement are given.

ACTION ITEMS

1. Acceptance of report.

Exhibit F

REPORT ON THE 1987 NATIONAL LEADERSHIP CONFERENCE

It is recommended that the 1987 National Leadership Conference be held at Bethany College, Bethany, West Virginia from August 12-16. The campus is a central location for our chapters, has excellent facilities--particularly after recent remodeling, and college officials are very cooperative. We hope to take the conferences into Pittsburgh one evening, and plan to hold the final banquet in the city as well. The 1984 convention brought in 71 undergraduates, at the 1985 conference we had 109, and this year we expect over 135 undergrads. We hope to continue this positive trend at Bethany in 1987.

ACTION ITEMS

1. Acceptance of report.

ALPHA SIGMA PHI FRATERNITY



NATIONAL HEADQUARTERS
24 WEST WILLIAM STREET
DELAWARE, OHIO 43015

614-363-1911

TO: The Educational Foundation Trustees
FROM: Robert M. Sheehan, Jr., Executive Director
RE: Computer Purchase
DATE: August 22, 1986

I have explored the possibility of the Foundation purchasing the fraternity computer system as you approved and directed. The computer company and accountants can accomodate this change with no problem. They advise us that the Foundation will not have to pay the usual \$3,957.53 in sales tax.

The total purchase price of the system is \$71,955.00, and there may be a few changes up or down once the full system is installed in September. In computing the lease agreement with the Fraternity (attached) I calculated that the annual payments on a five year loan of \$72,000 at 10% interest would be \$18,357.72. This gives us the "cost of funds" based on the 10% rate. By adding the annual service charges of \$4,447.50 to this, the total \$22,805.22 represents the approximate total amount cost of the system to the Foundation.

Based on historical charges I have allocated \$9,000 per year of the cost to the Foundation for fund raising uses. I've allocated \$13,800 per year to the Fraternity for membership updating, reports, word processing, and bookkeeping. The \$22,800 annual cost is therefore covered.

RMS/bwm

attachment

cc: Grand Council Members

REPORT ON BUDGET AND FINANCE

Budget. The 1985-86 budget period ended with a positive balance for the second year in a row. Major income increases in undergraduate fees and the Annual Loyalty Fund offset major expense increases, particularly in doubtful accounts, expansion, and last year's educational conference.

The Committee on Finance's 1986-87 proposed budget shows a \$740 profit and is attached (Attachment A) for your review. Budgeted expense increases in many areas, particularly those associated with the new printing of "To Better The Man" and expansion, can be offset with an 18% increase in the Annual Loyalty Fund and an undergraduate fee increase netting \$17,000. This level of a fee increase would increase annual chapter dues from \$40 per man to \$50 per man.

Policy on Late Fees. The staff estimates that 25% of all pledge fees and 50% of all initiation fees are paid late. Of the \$45,154 current receivables, (Attachment B), \$28,569 represents outstanding pledge and initiation fees. The committee recommends a fine for chapters of \$50 per initiate reported and paid late, and \$25 per pledge reported and paid late.

Educational Foundation. The committee's recommended grant requests from the Foundation for 1986-87 are included as "Attachment C" for your approval. The committee also recommends that approval be given to "Attachment D", a request for the Foundation to make the loan for the new computer system, instead of The Delaware County Bank as approved by Mail Vote #191.

Long Range Planning. The committee identifies program needs in expansion, chapter services, publications, alumni services, National Headquarters facilities, and more. It is recommended that a long Range Planning session be held to attach specific priorities to those programs so that the committee may more appropriately plan for the future. The only certainty is that income will have to be dramatically increased through the Endowment and Annual Loyalty Fund.

ACTION ITEMS:

1. Approval of Proposed Budget.
2. Approval of Policy on Late Fees.
3. Approval of 1986-87 Proposed Foundation Grant Requests.
4. Approval of Foundation Computer Loan Request.
5. Acceptance of Report.

ALPHA SIGMA PHI FRATERNITY, INC.

GENERAL FUND
Comparative Operating Statement & Budget Analysis

<u>INCOME</u>	<u>Actual 1984-85</u>	<u>Budget 1984-85</u>	<u>Actual 1985-86</u>	<u>Budget 1985-86</u>	<u>Prop. Budget 1986-87</u>
1. Initiation Fees	\$ 79,345.00	\$ 74,250.00	\$ 90,640.00	\$ 74,250.00	\$ 79,750.00
2. Pledge Fees	30,319.00	26,250.00	36,800.00	29,575.00	31,850.00
3. Chapter Fees	2,295.00	2,340.00	2,250.00	2,340.00	2,340.00
4. Undergrad. Dues	59,400.00	60,000.00	63,640.00	60,000.00	68,000.00
5. Annual Loyalty Fund (net)	66,002.73	62,000.00	90,389.42	82,500.00	110,000.00
6. Merchandise (net)	3,040.16	800.00	964.89	1,500.00	1,500.00
7. Investments and Interest	14,499.62	10,500.00	12,308.39	13,500.00	5,000.00
8. Parking Rentals	2,331.77	2,300.00	1,823.36	2,200.00	2,100.00
9. Services to Organizations	15,400.00	15,400.00	15,400.00	15,400.00	18,700.00
10. Endowment Grants	9,197.27	6,000.00	22,310.58	18,000.00	28,000.00
11. Miscellaneous	3,422.32	1,000.00	2,627.60	1,500.00	1,500.00
12. Undergrad 11% fee increase	-	-	-	-	17,000.00
 TOTAL INCOME:	 \$285,252.87	 \$260,840.00	 \$339,154.24	 \$300,765.00	 \$365,740.00
 TOTAL EXPENSES:	 <u>273,331.25</u>	 <u>269,400.00</u>	 <u>337,196.38</u>	 <u>299,600.00</u>	 <u>365,000.00</u>
 GAIN (LOSS):	 \$ 11,921.62	 (\$ 8,560.00)	 \$ 1,957.86	 \$ 1,165.00	 \$ 740.00

Attachment A

ALPHA SIGMA PHI FRATERNITY, INC.

GENERAL FUND Comparative Operating Statement & Budget Analysis

EXPENSES	Actual 1984-85	Budget 1984-85	Actual 1985-86	Budget 1985-86	Prop. Budget 1986-87
1. Salaries	\$ 96,053.20	\$ 97,500.00	\$127,868.17	\$125,500.00	\$147,500.00
2. Unemployment Compensation	1,989.53	1,900.00	2,428.75	2,600.00	2,900.00
3. Employees A & H Insurance	2,153.36	1,600.00	3,374.60	2,900.00	3,100.00
4. Social Security Tax	6,785.08	6,850.00	9,138.53	9,000.00	10,500.00
5. Pension	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00
6. Utilities	2,233.32	2,600.00	2,310.49	2,600.00	2,600.00
7. Bldg, Maint & Property Tax	1,317.87	1,500.00	2,482.09	1,500.00	1,500.00
8. Telephone	9,420.39	12,000.00	10,922.12	9,000.00	10,000.00
9. Postage	7,910.66	6,600.00	10,084.94	9,000.00	10,000.00
10. Office Supplies & Printing	15,371.16	13,500.00	14,211.60	15,500.00	14,500.00
11. Computer Service	3,139.21	3,300.00	4,620.45	3,800.00	5,000.00
12. Audit & Legal	3,934.18	2,800.00	2,940.00	2,900.00	3,200.00
13. Insurance					
a. General	1,268.97	3,800.00	2,698.63	2,400.00	2,700.00
b. National Ins. Program	-	-	5,684.79	-	-
14. Publications					
a. Tomahawk	40,007.96	38,000.00	32,186.39	32,000.00	37,500.00
b. TBIM	3,881.39	9,500.00	3,425.96	1,000.00	13,500.00
15. Chapter Services					
a. Executive Director travel	2,590.02	2,300.00	2,232.59	1,800.00	2,200.00
b. Dir.Chapt.Dev. travel	-	-	3,679.95	4,000.00	11,000.00
c. Chapt. Lead. Cons. travel	7,876.19	6,800.00	15,249.73	13,600.00	7,000.00
d. Staff Housing	1,300.00	1,200.00	3,725.00	3,600.00	3,600.00
e. G.C., Others travel	385.40	2,200.00	638.65	2,000.00	2,000.00
f. Program Costs & Gen. Op.	4,219.96	1,800.00	3,818.08	3,000.00	4,000.00
16. Expansion					
a. Staff travel	501.75	1,200.00	7,648.78	1,500.00	10,000.00
b. Others travel	720.61	1,700.00	995.91	1,000.00	1,000.00
c. Program Costs & Gen. Op.	1,869.70	2,000.00	4,345.52	500.00	6,000.00

Expenses - Page 2

<u>EXPENSES</u> (cont.)	<u>Actual</u> <u>1984-85</u>	<u>Budget</u> <u>1984-85</u>	<u>Actual</u> <u>1985-86</u>	<u>Budget</u> <u>1985-86</u>	<u>Prop. Budget</u> <u>1986-87</u>
17. Alumni Development					
a. Executive Director travel	3,036.87	4,750.00	971.72	2,000.00	3,000.00
b. Prog. Costs & Genl. Op.	14,303.25	7,500.00	8,052.11	3,000.00	3,000.00
e. Others travel	1,983.19	1,500.00	-	500.00	500.00
18. Interfraternity					
a. Dues	1,688.50	1,900.00	1,834.10	1,900.00	2,000.00
b. Travel & Meetings	3,850.11	3,000.00	4,743.17	3,300.00	4,500.00
19. Chapter Programming					
a. Province System	187.29	3,300.00	4,568.82	9,000.00	9,000.00
b. Scholarship	592.40	500.00	574.98	300.00	300.00
c. Career Development	-	600.00	-	300.00	300.00
20. Conferences & Exec. Meetings	5,936.75	5,300.00	9,157.40	6,800.00	7,500.00
21. Automobile	4,200.45	3,800.00	5,102.53	5,200.00	5,500.00
22. Insignia	10,689.00	11,000.00	8,722.70	11,000.00	12,000.00
23. Newsletter Service	1,677.47	1,000.00	1,059.49	1,000.00	1,000.00
24. Doubtful Accounts	4,861.81	500.00	4,897.38	500.00	1,000.00
25. Miscellaneous	1,665.62	500.00	1,940.13	500.00	500.00
26. National Meetings (net)	128.63	-	5,260.13	-	-
TOTAL EXPENSES:	\$ 273,331.25	\$ 269,400.00	\$ 337,196.38	\$ 299,600.00	\$ 365,000.00

ALPHA SIGMA PHI FRATERNITY, INC.
GENERAL FUND

Accounts Receivable - Chapters

<u>Chapter</u>	<u>Balance 6/30/86</u>	<u>Prior to 7/1/85</u>
American	\$ 1,189.20	
Atlantic Christian	1,085.76	
Bethany	1,980.00	
U.C.L.A.	220.00	
Charleston	2,957.66	\$ 963.06
Davis & Elkins	456.50	
Francis Marion	1,530.28	1,200.28
Hartwick	3,335.00	
Lawrence Tech.	19.40	
Loyola	8,369.00	4,759.40
Marietta	3,119.60	
Michigan	928.26	94.00
Missouri	2,522.73	
UNC-Charlotte	1,273.00	
N.C. State	12.45	
Ohio Northern	1,650.00	
Oklahoma	454.90	
Purdue	1,009.03	
Rensselaer	339.90	
Rio Grande	2,230.00	
Rutgers	1,826.40	
Stevens	1,203.00	
Stockton	720.31	
Tri-State	470.00	
Tulane	285.00	
Westminster	2,175.00	
Widener	3,792.11	
	<u>\$45,154.49</u>	<u>\$7,014.74</u>

ALPHA SIGMA PHI FRATERNITY, INC.
EMERGENCY FUND

Accounts Receivable

<u>Chapter</u>	<u>Date of Note</u>	<u>Balance 6/30/86</u>	<u>Delinquent Balance</u>
California	7/1984	\$19,712.48	
Marshall	12/1982	38.62	38.62
Missouri	1/1984	4,902.59	\$4,902.59
		<u>\$24,653.69</u>	

A-S-P CORPORATION
Accounts Receivable

<u>Chapter</u>	<u>Date of Mortgage</u>	<u>Principal Balance 6/30/86</u>	<u>Delinquent Principal</u>	<u>Balance Interest</u>
Illinois	6/1984	\$ 4,583.12		
Loyola	9/1968 & 7/1975	7,072.29	\$7,072.29	\$954.72
Oklahoma	1/1986	26,645.52	548.29	617.48
		<u>\$38,300.93</u>		

Rent Receivable

Miami	\$ 3,300.00
Widener	12,792.80

ZERBE, WOLF, ROGERS & Co.
CERTIFIED PUBLIC ACCOUNTANTS
107 WEST WILLIAM STREET
DELAWARE, OHIO 43015

DELAWARE
614-362-9031

COLUMBUS
614-548-4566

Grand Council
Alpha Sigma Phi Fraternity, Inc.
Delaware, Ohio:

We have examined the balance sheets of Alpha Sigma Phi Fraternity, Inc. as of June 30, 1986 and 1985 and the related statements of revenues, expenses, reimbursements and changes in fund balances for the years then ended. We have also examined the balance sheets of A-S-P Corporation as of June 30, 1986 and 1985 and the related statements of earnings and retained earnings for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements identified above present fairly the financial position of Alpha Sigma Phi Fraternity, Inc. and A-S-P Corporation at June 30, 1986 and 1985 and the results of their operations and changes in fund balances or retained earnings for the years then ended, all in conformity with generally accepted accounting principles applied on a consistent basis.

Zerbe, Wolf, Rogers & Co
Certified Public Accountants

July 18, 1986

Alpha Sigma Phi Fraternity, Inc.
Balance Sheets
June 30, 1986 and 1985

ASSETS

	<u>1986</u>	<u>1985</u>
Cash, including savings, and other interest bearing accounts of \$25,894 in 1986 and \$3,127 in 1985	\$ 31,962	8,589
Certificates of deposits and money market funds	86,966	154,833
Notes and accounts receivable:		
Notes receivable	24,654	25,681
Accounts receivable	47,985	30,008
National insurance premium receivable	37,427	12,168
	<u>110,066</u>	<u>67,857</u>
Less allowance for doubtful receivables	(9,700)	(4,800)
Total notes and accounts receivables	<u>100,366</u>	<u>63,057</u>
Publications and jewelry inventories, at cost	7,465	5,798
Prepaid insurance	852	599
Investment securities at cost	-	10,000
Investment in A-S-P Corporation, at cost (Note 5):		
A-S-P Corporation, 4% debeture bonds	10,600	10,600
A-S-P Corporation stock	<u>51,500</u>	<u>51,500</u>
Total investment in A-S-P Corporation	<u>62,100</u>	<u>62,100</u>
Property and equipment, at cost:		
Land	14,294	14,294
Building	14,812	14,812
Equipment and vehicle	84,983	49,546
	<u>114,089</u>	<u>78,652</u>
Less accumulated depreciation	51,043	36,784
Net property and equipment	<u>63,046</u>	<u>41,868</u>
	<u>\$ 352,757</u>	<u>346,844</u>

See accompanying notes to financial statements

Alpha Sigma Phi Fraternity, Inc.
Balance Sheets
June 30, 1986 and 1985

LIABILITIES AND FUND BALANCES

	<u>1986</u>	<u>1985</u>
Installment notes payable	\$ 7,562	11,323
Accounts payable	7,494	2,889
National insurance premium payable	13,078	10,897
Alabama Alumni escrow account	32,938	31,221
Deposits, refundable and non-refundable	7,356	5,007
Accrued expenses	2,632	1,524
Deferred income	18,315	10,931
Total liabilities	<u>89,375</u>	<u>73,792</u>
Fund balances (Note 2):		
Designated by the Grand Council for:		
Long-term investments	115,000	141,500
Investment in A-S-P Corporation	62,100	62,100
Emergency loans to chapters	25,000	25,700
Property and equipment	55,484	30,546
Total	<u>257,584</u>	<u>259,846</u>
Undesignated	5,798	13,206
Total Fund balances	<u>263,382</u>	<u>273,052</u>
	\$ <u>352,757</u>	<u>346,844</u>

Alpha Sigma Phi Fraternity, Inc.
Statements of Revenues, Expenses, Reimbursements
and Changes in Fund Balances
Years Ended June 30, 1986 and 1985

	<u>1986</u>	<u>1985</u>
Revenues and grants:		
Annual dues	\$ 63,640	59,400
Initiation fees	90,640	79,345
Pledge fees	36,800	30,319
Chapter fees	2,250	2,295
Educational grants	87,700	46,200
Management fee	15,400	15,400
Sales of merchandise and jewelry	13,160	13,220
Gross profit (loss) on National Insurance Program	(3,883)	552
Interest and dividend income	10,600	14,500
Other	4,471	6,260
Total revenues	<u>320,778</u>	<u>267,491</u>
Expenses:		
Salaries and employee benefits	134,986	102,811
Facilities and equipment, including depreciation	22,359	16,038
Telephone	10,922	9,420
Postage	10,085	7,911
Office supplies and expense	17,476	15,383
Professional	2,940	3,934
Cost of merchandise and jewelry	12,195	10,179
New member jewelry	8,723	10,689
Tomahawk publication	32,186	40,008
Interest expense	1,306	1,592
Bad debts, net of recoveries	6,481	3,662
Chapter services	26,427	16,734
Educational conference	5,260	-0-
Expansion	12,990	3,092
Interfraternity	6,577	5,539
Grand Council meetings and conferences	9,157	5,937
Province program	4,569	187
Loss on sales of securities	-	8,966
"To Better The Man" project	3,426	3,882
Miscellaneous	2,383	2,115
Total expenses	<u>330,448</u>	<u>268,079</u>
Excess of expenses over revenues and grants	(9,670)	(588)
Alpha Sigma Phi Fraternity, Inc. fund balance:		
Beginning of fiscal year	<u>273,052</u>	<u>273,640</u>
End of fiscal year	\$ <u>263,382</u>	<u>273,052</u>

Alpha Sigma Phi Fraternity, Inc.
Notes to Financial Statements
June 30, 1986 and 1985

(1) Summary of Significant Accounting Policies

Investments

Investment in corporate bonds and stock are carried at cost. Gains or losses on the sale of investments are recognized upon realization. Gifts of investment securities are recorded at the market value on the date the gift was received. Investments in the stock and debenture bonds of A-S-P Corporation, a wholly owned subsidiary of Alpha Sigma Phi Fraternity, Inc., are carried at cost. (see Note 5)

Depreciation

Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on the straight-line basis.

Federal Income Taxes

The Fraternity is a non-profit social fraternity exempt from Federal income tax under the provisions of Section 501 (c) of the Internal Revenue Code.

Revenues

The principal revenues of the Alpha Sigma Phi Fraternity, Inc. are fees from member chapters and their member brothers, initiates and pledges.

(2) Fund Balances

Funds are currently expendable and have not been restricted by donors in any manner. Convention and educational conference fees are billed to member chapters each year. These fees are deferred until the biennial convention is held.

(3) Related Party Transactions

The Fraternity and the Alpha Sigma Phi Educational Foundation share common management and facilities. The Fraternity's personnel provides bookkeeping services and conducts fund raising on behalf of the Educational Foundation.

Fraternity revenue includes the following amounts received from the Educational Foundation:

<u>Fraternity revenue catagory</u>	<u>1986</u>	<u>1985</u>
Educational grants	87,700	46,200
Management fee	<u>8,200</u>	<u>8,200</u>
	<u>95,900</u>	<u>54,400</u>

Alpha Sigma Phi Fraternity, Inc.
Notes to Financial Statements, Continued
June 30, 1986 and 1985

(3) Related Party Transactions (Continued)

Netted against the Fraternity's expenses are reimbursements from the Educational Foundation for the costs of services provided as follows:

<u>Fraternity expense category</u>	<u>1986</u>	<u>1985</u>
Salaries and employee benefits	\$ 15,976	9,677
Travel and direct materials	50,573	38,311
Educational conference	<u>10,000</u>	<u>-0-</u>
	<u>76,549</u>	<u>47,988</u>
Total revenue and reimbursements	\$ <u>172,449</u>	<u>102,388</u>

(4) National Insurance Program

The Fraternity is engaged in a national liability and property insurance program. Member chapters are required to purchase liability insurance and are billed on a per member basis. Property insurance is optional. Property insurance premiums are based on specifics of the separate houses. The program broker is currently James R. Favor and Company who places coverage through various insurance companies. Premiums are billed annually. Revenue and cost of insurance is recognized based on expired portion of policy term.

The following is a summary of the insurance program operations:

	<u>1986</u>	<u>1985</u>
Revenue	\$ 110,287	42,334
Cost of insurance	<u>110,070</u>	<u>40,582</u>
	217	1,752
Bad debts expense	<u>(4,100)</u>	<u>(1,200)</u>
Gross profit (loss) from program	\$ <u>(3,883)</u>	<u>522</u>

Alpha Sigma Phi Fraternity, Inc.
Notes to Financial Statements, Continued
June 30, 1986 and 1985

(5) Investment in A-S-P Corporation

A-S-P Corporation is a Delaware corporation formed for the purpose of aiding chapters of the Fraternity in providing housing and housing facilities by making second mortgage loans. The corporation acquired ownership or lease rights to two properties in 1981 which are leased to chapters of the Fraternity.

The separate financial statements of A-S-P Corporation at June 30, 1986 and 1985 and for the years then ended are as follows:

A-S-P Corporation
Balance Sheets
June 30, 1986 and 1985

	<u>ASSETS</u>	
	<u>1986</u>	<u>1985</u>
Mortgages and bonds receivable (secured)	\$ 38,301	35,869
Less allowance for doubtful accounts	<u>10,000</u>	<u>8,000</u>
Net receivables	28,301	27,869
Rental Property at cost (pledged) net of accumulated depreciation of \$16,750 in 1986	72,745	75,537
Due from Alpha Sigma Phi Fraternity, Inc.		-0-
Cash in interest bearing accounts	10,807	25,276
Refundable Federal income taxes	<u>1,030</u>	<u>1,030</u>
	\$ <u>112,883</u>	<u>129,712</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
11.75% Mortgage note payable (secured) due September, 1990	\$ 35,844	46,656
4% Debenture bonds, due September 1, 1986	<u>18,700</u>	<u>18,700</u>
Total liabilities	54,544	65,356
Stockholder's equity:		
Common stock, without par value.		
Authorized 5,000 shares; issued and outstanding 515 shares	51,500	51,500
Retained earnings	<u>6,839</u>	<u>12,856</u>
Total stockholder's equity	<u>58,339</u>	<u>64,356</u>
	\$ <u>112,883</u>	<u>129,712</u>

Alpha Sigma Phi Fraternity, Inc.
Notes to Financial Statements, Continued

A-S-P Corporation
Statements of Earnings and Retained Earnings
Years Ended June 30, 1986 and 1985

	<u>1986</u>	<u>1985</u>
Revenues:		
Rent	\$ 9,794	12,988
Interest on mortgages and bonds	3,012	2,215
Interest on savings accounts and investment	<u>611</u>	<u>901</u>
Total revenues	13,417	16,104
Expenses:		
Interest	6,318	7,292
Administrative services	7,209	7,381
Bad debt expense	2,000	-0-
Depreciation of rental properties	2,792	2,792
Professional	1,075	960
Taxes	<u>40</u>	<u>40</u>
Total expenses	<u>19,434</u>	<u>18,465</u>
Net income (loss)	(6,017)	(2,361)
Retained earnings, beginning of fiscal year	<u>12,856</u>	<u>15,217</u>
Retained earnings, end of fiscal year	\$ <u><u>6,839</u></u>	<u><u>12,856</u></u>

A-S-P Corporation
Notes to Financial Statements
June 30, 1986 and 1985

(1) Summary of Significant Accounting Policies

Rent and Interest on Mortgages and Bonds

Rent income on properties and interest income on mortgages and bonds are recorded as received.

Depreciation of Rental Properties

Depreciation is provided over the estimated useful lives of the assets on the straight-line basis.

Federal Income Taxes

The Corporation is a tax paying entity. Deferred income taxes will be provided on any differences between income for tax and accounting purposes when such differences occur. The Corporation has net operating loss carryforwards of \$10,129.00 to offset future taxable income. Carryforwards start to expire in 1998.

REPORT ON THE NATIONAL INSURANCE PROGRAM

On June 20 Stan Miller and I attended a meeting in Indianapolis called by our fraternity group insurance broker James R. Favor. The meeting was also attended by seven other of Favor's fraternity clients.

Jim Favor introduced a written proposal for the eight fraternities present aggressively to pursue the development of a captive insurance company in which each of us would invest \$100,000 (including himself). The company would cover all 761 chapters of all eight fraternities for liability insurance. The proposal considers various liability premium charges, projected losses, projected expenses, and projected re-insurance costs. The most reasonable sounding scenario of all those presented set per chapter premiums at \$2,000, which would work out to \$60 per man for us. Last year our chapters paid \$44 per man for those who had houses and \$32 per man or \$950 (whichever was less) for chapters without houses.

The unanimous conclusion of the group assembled was that we should continue pursuing the proposal. Every fraternity agreed to contribute \$5,000 to an expense fund further to develop the proposal. The Wyatt Company, a Washington D.C. consulting firm, was hired conceptually to analyze the proposal. The Indianapolis office of Baker & Daniels, the law firm used by many national fraternities, was retained as legal counsel. Coopers & Lybrand in Denver was retained as auditors. We were impressed that Coopers & Lybrand has been able to provide an Indianapolis partner who specializes in insurance for input at our meetings there.

A second meeting was held in Indianapolis on July 18 at which representatives from Baker & Daniels and Coopers & Lybrand shared their views on the proposal. The group also reviewed The Wyatt Company report.

The consensus of the attorneys, accountants, consultants, and the group is that the company can work if the proper re-insurance can be secured. Our chances of securing re-insurance and of attaining long term success would be greatly enhanced if more fraternities and sororities were involved. This would provide greater spread of risk and increased capital. Meetings have been scheduled for September 18 in Indianapolis at which we hope to add more "partners."

Very soon Jim Favor will be meeting with re-insurers to secure their support and price quotes. He needs firm commitments from every fraternity on their \$100,000 investment before attending those meetings. Baker & Daniels is drawing up investment agreements for each fraternity to execute. The Committee on Finance recommends that the Fraternity conditionally approve the \$100,000 investment pending review by the committee of final re-insurance costs and conditions, if any.

It is unfortunate that the liability climate is so bad that we have to spend our time and resources on this issue. Even more unfortunate is that the climate seems to continue to worsen. In April, a fraternity our size could only get liability insurance of \$500,000 compared to our \$4 million--but at the same cost. In June, another fraternity's umbrella coverage was cancelled. More recently, Sigma Nu was informed that its liability coverage would double to over \$50 per man for \$1 million of coverage. No insurer can guarantee that we will even be able to buy insurance when our December 21 expiration date arrives. We can only be guaranteed quality coverage and have a chance of recovering some of our premiums by investing in the captive which we have creatively dubbed "The Fraternity Insurance Company."

Grand Senior President Morgan has appointed Grand Treasurer Hamburger to serve on the Board of Directors of the company, and Ed will attend the next meeting on September 18th. Hopefully by that time re-insurance information will be available, and plans to have the company operational by January 1, 1987, can be set, although this may be optimistic in view of the short period of time remaining.

ACTION ITEMS:

1. Approval of \$100,000 investment in the Fraternity Insurance Company conditional on review of final details by the Committee on Finance.
2. Approval of appointment of Ed Hamburger as Alpha Sigma Phi's nominee for director of the Fraternity Insurance Company.
3. Acceptance of report.

NATIONAL PROPERTY INSURANCE PROGRAM

Chapter Houses and Contents: 20 locations

Chapter Contents Only: 24 locations

Properties Not Covered:

- Atlantic Christian
- Marshall
- Ohio Northern
- Ohio State
- Purdue
- Rensselaer Polytechnic
- Tri-State

Deductible: \$5,000

Coverage: Replacement Cost, Premium Based on Appraised Value

Carrier: Lloyds of London

NATIONAL INSURANCE PROGRAM

FINANCIAL REVIEW

1984-1985

Total Property and Liability Billed to Chapters/Alumni	\$ 62,462.62
Total Property and Liability Premium	<u>62,228.00</u>
PROFIT/(LOSS)	\$ 234.62
Accounts Receivable:	\$ 2,225.68

1985-1986

Total Property and Liability Billed to Chapters/Alumni	\$164,531.00
Total Property and Liability Premium	<u>165,747.00</u>
	(\$ 1,216.00)
Accounts Receivable:	25,066.34

Accounts Receivable

Total: \$27,292.02

1. Payment Plans (5 Chapters)	\$ 15,416.52
2. Bad Debt (2 Chapters)	1,073.00
3. Missouri	6,263.00
4. Still Collecting (8 Chapters)	<u>\$ 4,539.50</u>
TOTAL	\$ 27,292.02

Current Opportunities For Alpha Sigma Phi Leaders

- I. To enhance the effectiveness of the volunteer network (from GSP to GCA's).
 - A. Committee system at GC level.
 - B. Communications via Province system.
 - C. Manage volunteers.
 1. Recruit (fill all vacancies).
 2. Train (develop materials and provide forum to implement).
 3. Develop follow-up procedures and accountability system.
 - D. Develop training materials (including job descriptions) for all volunteers from GSP to GCA's.
 - E. Finance same.
- II. To Prioritize goals.
 - A. Short term.
 1. Specific objectives.
 2. Time table.
 - B. Long term.
 1. Manpower needs.
 2. Financial needs.
- III. To develop expansion.
 - A. Philosophy.
 - B. Goals.
 - C. Program to accomplish same.
 - D. Financial feasibility of said program.
- IV. To find a solution to the insurance dilemma.

- V. To evaluate Headquarters.
 - A. Future staffing.
 - B. Space requirements.
 - C. Finance.
- VI. To study Tomahawk changes.
 - A. Editor.
 - B. Format.
 - 1. Magazine.
 - 2. Newspaper.
- VII. To provide housing loans.
 - A. Develop procedure.
 - B. Develop source.
- VIII. To continue fund raising (deferred giving).
 - A. Establish comprehensive plan.
 - B. Establish time table to complete plan phases.
- IX. To restructure the Educational Foundation.
 - A. Number of and selection process of Trustees.
 - B. Advisory group (?).
- X. To utilize more of the volunteer pool.

Job Description Outline for

I. GSP

A. Manage volunteers and Headquarters' staff

1. Recruiting
2. Training (job descriptions for all)
3. Supervision (accountability)

B. Lead GC in developing and prioritizing short and long term goals.

II. HJP

A. Manage committees

1. Recruit members
2. Train members (job descriptions)
3. Make committees accountable

B. Review and refine job descriptions of volunteers and staff.

III. Treasurer

A. Chair finance committee

B. Annual budgeting and creative thinking to:

1. Minimize all expenses
2. Maximize revenue

C. Financial planning as a function of short and long term goals and objectives

D. To be a leader in fund raising--manage the program and meet time table



MEMORANDUM

Resolved, that the income of Alpha Sigma Phi, Inc., received from the Investment Fund (\$9,011.58), parking lot rent (\$1,823.36) and Emergency Fund earnings (\$2,106.10) in the fiscal year from July 1, 1985 to June 30, 1986 in the amount of \$12,941.04 was set aside for and expended for educational and charitable activities of Alpha Sigma Phi Fraternity, Inc., including but not limited to the Chapter Consultants, with full-time duties as educational aides to the various chapters, and the portion of the Executive Director's salary and expenses that are devoted to leadership training and education of chapter members, and the expenses of volunteers while involved in leadership training and education of chapter members, as well as the proper overhead cost to support these activities from the national headquarters during the fiscal year from July 1, 1985 to June 30, 1986..

Signed: Donald R. [Signature]Date: Aug 14, 1986



MEMORANDUM

Be it resolved that, in the fiscal year of July 1, 1986 to June 30, 1987, income from the Investment Fund and other non-member income sources shall be, and hereby is, set aside in a separate fund to be expended for scholarships, student loans, loans on local Chapter housing, leadership and citizenship schools and services, and similar activities.

Be it further resolved that the amount is estimated at \$ 7,100.00.

Signed:

A handwritten signature in dark ink, appearing to read "David R. [unclear]".

Date:

A handwritten date in dark ink, appearing to read "Aug 14, 1986".

**ALPHA SIGMA PHI FRATERNITY INC.
MINUTES OF GRAND COUNCIL MEETING**

August 17, 1986
Ann Arbor, Michigan

1. CALL TO ORDER

Newly elected Grand Senior President Robert A. Sandercox called the meeting to order at 12:38 p.m. on Sunday, August 17, 1986.

2. ROLL CALL

Members of the Grand Council in attendance: Grand Senior President Robert A. Sandercox, Grand Junior President Edmund A. Hamburger, Grand Marshal Dr. Dennis R. Parks, Grand Councilor Charles J. Vohs, and Grand Councilor Donald R. Morgan. Also in attendance was Executive Director Robert M. Sheehan, Jr.

3. REPORT ON THE EDUCATIONAL FOUNDATION TRUSTEES MEETING

Brother Sandercox informed the Council that the Educational Foundation Trustees had approved the Foundation Grant requests made by the Fraternity that the Trustees were considering making a change in the Trust Agreement to allow for more Trustees on the Foundation and that the Trustees were interested in purchasing a computer system in leasing computer services to the Fraternity.

4. BUDGET AND FINANCE

It was moved by Brother Hamburger, seconded by Brother Parks and passed unanimously that the expansion line item in the Fraternity budget be cut by \$8,500 due to the lack of a full increase in undergraduate dues as recommended by the Council. (Newly approved budget attached as Exhibit A.)

It was moved by Brother Hamburger, seconded by Brother Vohs and passed unanimously that Robert A. Sandercox, Grand Senior President, Ronald W. Dollens, Grand Treasurer, Alfred B. Wise, Past Grand Junior President, and Robert M. Sheehan, Jr., Executive Director, be authorized signators for all accounts of Alpha Sigma Phi Fraternity, Inc., and that the attached resolution acknowledging that authorization, and appointing the Delaware County Bank as a depository of funds for the Fraternity be approved. (Exhibit B)

5. It was moved by Brother Hamburger, seconded by Brother Morgan and passed unanimously that the monthly pension benefits currently being paid to Executive Secretary Emeritus Ralph F. Burns, continue to be paid to his wife Joanna in the event that he predeceases her.

REPORT ON GRAND COUNCIL MEETING, Continued

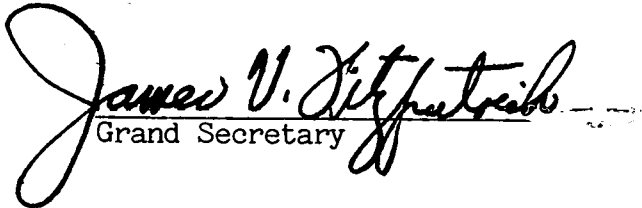
August 17, 1986

Page 2

6. It was moved by Brother Vohs, seconded by Brother Parks and passed unanimously that Alpha Sigma Phi Fraternity hereby extend its warmest and deepest appreciation to Donald R. Morgan, Purdue '57 for his dedicated service to the "Old Gal" as Grand Senior President during the past one and one-half years. Brother Morgan's leadership has taken Alpha Sigma Phi steps higher on the Pinnacle of Fame our brotherhood constantly pursues.
7. At 1:12 p.m., it was moved by Brother Hamburger, seconded by Brother Morgan, and passed unanimously to adjourn the Grand Council Meeting.

Respectfully submitted,

Certified Correct,


Grand Secretary


Executive Director

RESOLUTION

BE IT RESOLVED by the Board of Directors of _____

_____ that THE DELAWARE COUNTY BANK, Delaware, Ohio, be and it hereby is, appointed a depository of the funds of this corporation, and that, until otherwise ordered by the Board of Directors, said funds shall be subject to be withdrawn on the checks, drafts, notes or orders of this corporation signed by _____

(Names of authorized persons)

RESOLVED, FURTHER, that said depository of the funds of this corporation be, and it hereby is, authorized to pay such check, draft, notes or orders and also to receive the same for the credit of or in payment from the payee or any other holder, when so signed, without inquiry as to the circumstances of their issue, or the disposition of their proceeds, whether drawn to the individual order of or tendered in payment of individual obligations of the above named persons or other officers of this corporation or otherwise;

RESOLVED FURTHER that this corporation hereby guarantees to the depository the payment of all checks, drafts and notes which may at any time be deposited without the endorsement of the corporation appearing on such items and the certification of these resolutions by an officer of this corporation shall bind it upon its guaranty;

RESOLVED FURTHER, that the _____

(Name and title of authorized officer(s))

of this corporation be, and they hereby are, authorized, in the name of and for the account of this corporation, and upon such terms and conditions as they may deem proper, to borrow from THE DELAWARE COUNTY BANK, Delaware, Ohio, any sum or sums of money; to sign, execute and endorse such notes or agreements as may be necessary or required by said Bank to evidence such indebtedness; to discount or rediscount with said bank any of the bills receivable held by this corporation; to apply for and obtain from said Bank letters of credit, and to sign and execute agreements to secure said Bank in connection therewith; to pledge and/or mortgage any moneys on deposit or any moneys otherwise in the possession of said Bank, and/or any bonds, shares, bills receivable or other property of this corporation, to secure the payment of any indebtedness, liability, or obligation of this corporation to said Bank whether due or to become due and whether existing or hereafter incurred, however arising; to withdraw and/or substitute any property of this corporation held at any time by said Bank, and to sign and execute trust receipts for the withdrawal of the same when required; and generally to do and perform any and all acts and sign any and all agreements, obligations, pledges, and/or other instruments necessary or required by said Bank for its protection in its dealings with this corporation;

RESOLVED FURTHER, that all transactions by any of the officers or representatives of this corporation in its name and for its account with said Bank prior to this meeting be, and the same hereby are, approved and ratified;

RESOLVED FURTHER, that said Bank be furnished with a certified copy of these resolutions, and that it be, and hereby is, authorized to deal with the officers above named under said authority, unless and until it is expressly notified in writing to the contrary by this corporation, and shall in writing acknowledge receipt of such notification; and said Bank shall at all times be protected in recognizing as such officers the persons named in a certificate signed by any officer of this corporation.

(Certified true copy)

ALPHA SIGMA PHI FRATERNITY, INC.

GENERAL FUND

Comparative Operating Statement & Budget Analysis

<u>INCOME</u>	<u>Actual</u> <u>1984-85</u>	<u>Budget</u> <u>1984-85</u>	<u>Actual</u> <u>1985-86</u>	<u>Budget</u> <u>1985-86</u>	<u>Budget</u> <u>1986-87</u>
1. Initiation Fees	\$ 79,345.00	\$ 74,250.00	\$ 90,640.00	\$ 74,250.00	\$ 79,750.00
2. Pledge Fees	30,319.00	26,250.00	36,800.00	29,575.00	31,850.00
3. Chapter Fees	2,295.00	2,340.00	2,250.00	2,340.00	2,340.00
4. Undergrad. Dues	59,400.00	60,000.00	63,640.00	60,000.00	76,500.00
5. Annual Loyalty Fund (net)	66,002.73	62,000.00	90,389.42	82,500.00	110,000.00
6. Merchandise (net)	3,040.16	800.00	964.89	1,500.00	1,500.00
7. Investments and Interest	14,499.62	10,500.00	12,308.39	13,500.00	5,000.00
8. Parking Rentals	2,331.77	2,300.00	1,823.36	2,200.00	2,100.00
9. Services to Organizations	15,400.00	15,400.00	15,400.00	15,400.00	18,700.00
10. Endowment Grants	9,197.27	6,000.00	22,310.58	18,000.00	28,000.00
11. Miscellaneous	3,422.32	1,000.00	2,627.60	1,500.00	1,500.00
 TOTAL INCOME:	 \$285,252.87	 \$260,840.00	 \$339,154.24	 \$300,765.00	 \$357,240.00
 TOTAL EXPENSES:	 <u>273,331.25</u>	 <u>269,400.00</u>	 <u>337,196.38</u>	 <u>299,600.00</u>	 <u>355,000.00</u>
 GAIN (LOSS):	 \$ 11,921.62	 (\$ 8,560.00)	 \$ 1,957.86	 \$ 1,165.00	 \$ 2,240.00

ALPHA SIGMA PHI FRATERNITY, INC.

GENERAL FUND Comparative Operating Statement & Budget Analysis

<u>EXPENSES</u>	<u>Actual 1984-85</u>	<u>Budget 1984-85</u>	<u>Actual 1985-86</u>	<u>Budget 1985-86</u>	<u>Budget 1986-87</u>
1. Salaries	\$ 96,053.20	\$ 97,500.00	\$127,868.17	\$125,500.00	\$147,500.00
2. Unemployment Compensation	1,989.53	1,900.00	2,428.75	2,600.00	2,900.00
3. Employees A & H Insurance	2,153.36	1,600.00	3,374.60	2,900.00	3,100.00
4. Social Security Tax	6,785.08	6,850.00	9,138.53	9,000.00	10,500.00
5. Pension	3,600.00	3,600.00	3,600.00	3,600.00	3,600.00
6. Utilities	2,233.32	2,600.00	2,310.49	2,600.00	2,600.00
7. Bldg, Maint & Property Tax	1,317.87	1,500.00	2,482.09	1,500.00	1,500.00
8. Telephone	9,420.39	12,000.00	10,922.12	9,000.00	10,000.00
9. Postage	7,910.66	6,600.00	10,084.94	9,000.00	10,000.00
10. Office Supplies & Printing	15,371.16	13,500.00	14,211.60	15,500.00	14,500.00
11. Computer Service	3,139.21	3,300.00	4,620.45	3,800.00	5,000.00
12. Audit & Legal	3,934.18	2,800.00	2,940.00	2,900.00	3,200.00
13. Insurance					
a. General	1,268.97	3,800.00	2,698.63	2,400.00	2,700.00
b. National Ins. Program	-	-	5,684.79	-	-
14. Publications					
a. Tomahawk	40,007.96	38,000.00	32,186.39	32,000.00	37,500.00
b. TBTM	3,881.39	9,500.00	3,425.96	1,000.00	13,500.00
15. Chapter Services					
a. Executive Director travel	2,590.02	2,300.00	2,232.59	1,800.00	2,200.00
b. Dir.Chapt.Dev. travel	-	-	3,679.95	4,000.00	11,000.00
c. Chapt. Lead. Cons. travel	7,876.19	6,800.00	15,249.73	13,600.00	7,000.00
d. Staff Housing	1,300.00	1,200.00	3,725.00	3,600.00	3,600.00
e. G.C., Others travel	385.40	2,200.00	638.65	2,000.00	2,000.00
f. Program Costs & Gen. Op.	4,219.96	1,800.00	3,818.08	3,000.00	4,000.00
16. Expansion					
a. Staff travel	501.75	1,200.00	7,648.78	1,500.00	2,000.00
b. Others travel	720.61	1,700.00	995.91	1,000.00	1,000.00
c. Program Costs & Gen. Op.	1,869.70	2,000.00	4,345.52	500.00	4,000.00

Expenses - Page 2

<u>EXPENSES</u> (cont.)	<u>Actual</u> <u>1984-85</u>	<u>Budget</u> <u>1984-85</u>	<u>Actual</u> <u>1985-86</u>	<u>Budget</u> <u>1985-86</u>	<u>Budget</u> <u>1986-87</u>
17. Alumni Development					
a. Executive Director travel	3,036.87	4,750.00	971.72	2,000.00	3,000.00
b. Prog. Costs & Genl. Op.	14,303.25	7,500.00	8,052.11	3,000.00	3,000.00
e. Others travel	1,983.19	1,500.00	-	500.00	500.00
18. Interfraternity					
a. Dues	1,688.50	1,900.00	1,834.10	1,900.00	2,000.00
b. Travel & Meetings	3,850.11	3,000.00	4,743.17	3,300.00	4,500.00
19. Chapter Programming					
a. Province System	187.29	3,300.00	4,568.82	9,000.00	9,000.00
b. Scholarship	592.40	500.00	574.98	300.00	300.00
c. Career Development	-	600.00	-	300.00	300.00
20. Conferences & Exec. Meetings	5,936.75	5,300.00	9,157.40	6,800.00	7,500.00
21. Automobile	4,200.45	3,800.00	5,102.53	5,200.00	5,500.00
22. Insignia	10,689.00	11,000.00	8,722.70	11,000.00	12,000.00
23. Newsletter Service	1,677.47	1,000.00	1,059.49	1,000.00	1,000.00
24. Doubtful Accounts	4,861.81	500.00	4,897.38	500.00	1,000.00
25. Miscellaneous	1,665.62	500.00	1,940.13	500.00	500.00
26. National Meetings (net)	128.63	-	5,260.13	-	-
TOTAL EXPENSES:	\$ 273,331.25	\$ 269,400.00	\$ 337,196.38	\$ 299,600.00	\$ 355,000.00