

MINUTES TO GRAND COUNCIL CONFERENCE CALL
January 11, 2005

Call to Order: 5:35 pm EST

Roll Call: Mark Still, Grand Senior President; Scott Grissom, Grand Junior President, Jeff Hoffman, Grand Treasurer (joined at 5:40); Rich Ritter, Grand Marshal; Mike Young, Grand Councilor; Jonathan Burns, Grand Secretary; John Tilden, Grand Councilor; Chris Musbach, Undergraduate Grand Councilor; Matt Maurer, Undergraduate Grand Councilor; Nicholas Rexing, Undergraduate Grand Councilor.

Absent:

Guests: Bob Kutz, Grand Historian; Drew Thawley, CEO; Ted Kocher, Foundation President; Dan Duncan, Director of Business Operations

Reports:

GSP Report given by Still:

Still reported that he sent a congratulations letter to Sam Bodman who was nominated to Secretary of Energy by President Bush.

Deferred additional comments until New Business.

Grand Secretary Report given by Burns:

The Annual report is complete and has been distributed by the fraternity staff to arrive in the coming days.

CEO Report given by Thawley:

Thawley reviewed previously submitted CEO Report (Attached)

Foundation Report given by Kocher:

The Foundation increased number of donors by 11% in the last six months of 2004, and increased dollars amount raised by 10% in the last six months of 2004.

Noted that the Foundation just closed its abbreviated six month fiscal year in order to properly begin the new fiscal year from January 1, 2005 to December 31, 2005.

Old Business:

Motion made by Burns to approve December 8, 2004 minutes as provided. Seconded by Grissom. Passed unanimously.

Motion made by Grissom to approve December 28, 2004 minutes as provided. Seconded by Tilden. Passed unanimously.

Ritter noted that he is working with staff to bring a draft resolution to the Grand Council addressing the need for more clearly defined policies about use of fraternity

insignia. During discussion, Still informed Kocher that the Council will examine use of insignia rights for the foundation.

Hoffman noted that his two outstanding items would be to the Council in advance of the February Meeting. *(these are: the investment guidelines and the report on the 2003-2004 Annual Audit)*

New Business:

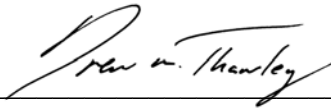
Still shared ideas on agenda for the February Meeting. He noted that he would be distributing an agenda in advance of the February Meeting. Still also offered that he would start working on a draft vision that might be used to help guide the important work done on the Ends Policies.

Next Meeting to be held in Bonita Springs, Florida from February 4-6, 2005.

Still called for motion to adjourn. Motion made by Grissom and seconded by Young. Passed unanimously.

Conference Call adjourned by Still at 6:22 PM EST.

Respectfully Submitted:



Drew M. Thawley, CEO

Jonathan Burns, Grand Secretary

MEMORANDUM

DATE: January 6, 2005
TO: Grand Council
FROM: Drew Thawley
RE: CEO Report for January 11, 2005 Conference Call

January is an exciting month for the Fraternity. Staff and volunteers will be hosting over 260 men between the first Academy of Leadership (this weekend), the Ralph F. Burns Institute (next weekend and held in five regional locations) and the final Academy (January 28-30)! So we're burning the midnight oil and having fun working to put on the most fraternally and educationally valuable events possible.

Below are a few important items:

FINANCE

- Again, we are being very conservative to try and reduce expenses so we will have a positive margin next year. As always, cash is very tight.
- We were able to move all reserves out of an equity investment and into a simple cash account. Intend to invest this in simple money market account until investment limitations are provided by Council.
- Of the 453 Bio Forms received to date, 291 (64.2%) have arrived with Pledge Fees paid. Last year we had collected 365 Bios to date. This is ~ 19% increase yr/yr.

GROWTH

- In the ongoing effort to educate chapter on proper recruitment planning, a sixth recruitment Symposium is slated at Iowa State later this month, and we hosted a chapter specific recruitment symposium at Miami (FL) last month.
- We will mount an expansion effort at Minnesota State, Mankato in late January.
- The alumni of University of Missouri are working with me to lay the foundation for a successful return to campus in the coming 1-2 years.

SERVICES

- Albie Bell left staff on December 15, Steve Latour has been hired as a CLC with a Chapter Advisory Team (CAT) focus. He will be focused on developing 12 -15 CAT's with an objective making the GCA a main contact for those chapters.

LEADERSHIP PROGRAMS

- Charlotte, NC will be the site of our 2006 Grand Chapter & Leadership Conference. August 3-6, 2006.
- Burns Institute will be held at five regional locations January 14-16.

- Two Academies will be held in January 7-9 and 28-30. The first is a joint GCA/HSP Academy while the second is only for HSP's.

ALUMNI

- The *Tomahawk* will be distributed in the coming weeks. It is in production currently.

MONITORING

- Reports 2.0, 2.1, 2.2, 2.3, 2.5, 3.5, 3.6, 3.7, 4.1 will be presented to the Grand Council in February.

Respectfully submitted.

MINUTES TO GRAND COUNCIL MEETING
Bonita Springs, Florida
February 6-7, 2005

Saturday, 2/5/05:

Call to Order: 8:04AM, EST

Roll Call: Mark Still, Grand Senior President; Scott Grissom, Grand Junior President; Rich Ritter, Grand Marshal; Jonathan Burns, Grand Secretary; Mike Young, Grand Councilor; John Tilden, Grand Councilor; Matt Maurer, Undergraduate Grand Councilor; Chris Musbach, Undergraduate Grand Councilor; Nicholas Rexing, Undergraduate Grand Councilor.

Absent: Jeff Hoffman, Grand Treasurer, absent for Saturday's portion of the meeting, and present for Sunday morning's portion of meeting via telephone.

Guests: Bob Kutz, Grand Historian; Drew Thawley, CEO; Dan Duncan, Director of Business Operations.

Old Business:

Motion made by Ritter, seconded by Grissom to approve the minutes of the January 11, 2005 Conference Call as proposed by Grand Secretary Burns, but with the addition of Ritter as "present". Passes unanimously.

8:05AM: Legislative Agenda suspended.

Still opened discussion on the Talking Points with the Foundation Directors.

8:24AM Grand Secretary Burns excused himself from the meeting to attend the Foundation Directors meeting, held concurrent to the Grand Council meeting and at the same location.

Still opened discussion on his vision presentation. Gave brief overview and hit the high points of the millennial student and their needs. Still asked for feedback on the Three R's component of the Council's vision. The importance of creating a brand for AΣΦ was discussed and expounded upon.

Thawley gave highlights on his presentation to the Directors about the programming efforts of the Fraternity.

10:23AM: Legislative Agenda resumes.

Still called meeting to order and asked Thawley to begin reviewing his Monitoring Reports (attached pg 5) with the Grand Council.

Motion made by Young, seconded by Tilden to accept Monitoring Reports 2.0, 2.1, 2.2, 2.3, 2.5, 3.5, 3.6, 3.7, and 4.1. Passed Unanimously. One abstention was noted from GJP Grissom who was not in room for the vote.

12:14PM: Legislative Agenda suspended for lunch. After lunch, the Grand Council met with the Foundation's Board of Directors to review the Foundation Investment Committee and Grants Committee reports, the Fund Raising Task Force report and the presentations by Still and Thawley.

Sunday, 2/6/05:

7:35AM: GSP Still calls the meeting to order and resumed legislative agenda.

Old Business:

All Grand Councilors and Guests present, excluding Hoffman, Grand Treasurer.

Thawley reviews CEO Report. (attached pg 27)

Grand Marshal Ritter presents the Use of Insignia Resolution. Grand Historian Kutz notes that Alpha Sigma Phi's Bylaws contain provisions for control of insignia (Article 15, Section 4).

Motion Made by Grissom for adoption of proposed resolution, seconded by Ritter (attached pg 29). Ritter adds a friendly amendment that the phrase "To Better the Man" be added to list of items to be protected, accepted by Grissom. Motion passed unanimously.

7:40AM: *Grand Treasurer Hoffman joined the meeting via telephone.*

Still introduced language to add the Annual and Semi-Annual Reports to the Board Policies.

Motion made by Ritter for adoption of the policy addition as detailed by Still. Seconded by Rexing. Passed unanimously.

Still introduced an addition to the Board Policies that would institutionalize the Fraternity's support for the National Philanthropy and the distribution of the Annual and Semi-annual Reports (detailed below).

Policy 2.9: Communications and Support to the Board

#3. The CEO shall not fail to support the construction of the Annual and Semi-Annual Reports by providing metrics that support documentation of performance against established policies, publication of the reports and distribution to the membership.

Policy 2.10: Communication and Support to the National Philanthropy
The CEO shall not permit a lapse in communication and support to the national philanthropy.

Further, without limiting the scope of the foregoing by this enumeration, the CEO shall not:

1. Neglect to submit monitoring data on participation with the national philanthropy for inclusion in the Annual Report.
2. Neglect to maintain regular communication with the philanthropy staff.
3. Neglect to maintain regular communication with the Chapters regarding opportunities to support the national philanthropy.

Motion made by Ritter to adopt the addition as detailed by Still. Seconded by Maurer.
Passed unanimously.

Hoffman offers Grand Treasurers Report in Old Business because each item on the Report pertained to items previously listed as Old Business on previous agendas and minutes.

Hoffman introduces proposed motion to alter Board Policy 2.5 by adding a new #5 to protect the invested assets of the Fraternity.

Policy 2.5 / #5 – Place at risk neither funds held in reserve nor funds held in trust by investments that are not liquid in short term, nor by investments that do not guarantee a reasonable rate of return. Suggested investments include Money Market accounts or funds, short-term Certificates of Deposit, U.S. Treasury Bills, short term Notes and short term Bonds.

Motion made by Young to adopt Policy 2.5 / #5 as detailed by Hoffman. Seconded by Burns. Passed unanimously.

Hoffman provided Treasurer's Report (attached to headquarters copy of minutes).

Tilden provided an update on the linkage plan's mandate for a net-based open forum meeting. Tilden reports that the previous service is not germane to today's situation, and the committee is exploring options for the online portion of the linkage plan. Still charged the committee with fully developing the plan complete with budget and timeline.

Thawley introduced the Feb. 5, 2005 memo regarding the membership fees of Brad Shelly, Delta Delta '03. Brad's Father, William Shelly, has asked, via a letter to the Council, that his son's membership fees be waived.

Motion made by Still and seconded by Grissom that:

CEO Thawley will offer Mr. William Shelly an option of paying only \$125 and accepting the annulment of Bradley's initiation from the Fraternity. To complete the process we will need a written communication, from Bradley, accepting and acknowledging the annulment of his membership. If this is not possible we will require some legal notification that that Mr. Shelly can make the decision on Brad's behalf. If the option is not accepted, the Fraternity will continue to pursue Brad Shelly for the full \$500 of membership fees.

Passed unanimously.

New Business:

Motion made by Grissom that the CEO be directed to contact a jeweler and replicate the badge of Louis Manigault, at the GSP's expense, for wearing by the current GSP. Seconded by Ritter. Passed unanimously.

Burns moves to accept the eleven recommendations of the Fund Raising Task Force as presented during the joint session. Seconded by Ritter. Passed unanimously.

Grissom asked the Council to begin the process of appointing an undergraduate to the Board of Directors of the Alpha Sigma Phi Educational Foundation, Inc. CEO Thawley agreed to begin the process, but asked the Council for clarification on the role and responsibilities of such a position.

Ritter asked to table the discussion until the Foundation Board can be contacted to clarify the role and responsibilities of the undergraduate representative. Still commits to contact the Foundation and report back by the next meeting. Staff will begin the process of recruiting a Brother to fill the vacancy.

Still notes that time is running short and asks that Council members send him their notes on SWO&T before next meeting.

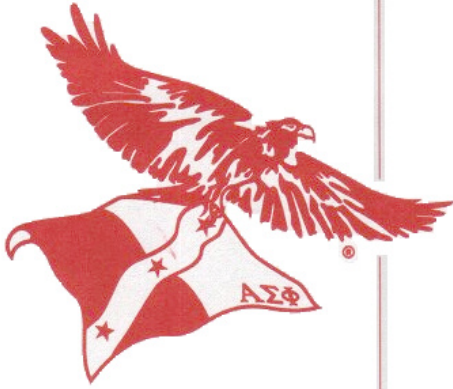
Still sets the next conference call for March 8th, 2005 at 4:30 PM (central time) and asked that calendars are brought to the meeting to set the June face-to-face meeting.

Motion made by Burns to adjourn meeting. Seconded by Grissom. Passed unanimously.

Respectfully Submitted:

Drew M. Thawley, CEO

Jonathan Burns, Grand Secretary



ALPHA SIGMA PHI.
FRATERNITY
NATIONAL
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e-mail-hq@alphasigmaphi.org

TO: Grand Council

FROM: Drew Thawley

DATE: February 5, 2005

RE: Monitoring Report, 2.0, 2.1, 2.2, 2.3, 2.5, 3.5, 3.6, 3.7, 4.1

Thank you for remaining true to the policies and structure established in the Carver Model of Governance. I understand that this model can seem unnatural for some, but know that the clarity and direction it provides has allowed me and the staff to move forward against your directives and limitations more efficiently. Your continued use of this model is appreciated.

Per policy, please find attached the Monitoring Reports slated for review in the January to February timeframe. I have provided a report for 2.0, 2.1, 2.2, 2.3 and 2.5 while Mark Still has provided those for 3.5, 3.6, 3.7 and 4.1.

As the Grand Council requested in September, I have made a concerted effort to provide more detail than has been traditionally represented in the reports. In doing so, I have provided more examples of measurement as well as insight into my approach to certain items. Maintaining the spirit of the Carvel Model, I look forward to your suggestions for completing these reports in the future.

Respectfully Submitted.

TO: Grand Council
FROM: Drew Thawley
DATE: February 5, 2005
RE: Monitoring Report on Policy 2.0

POLICY 2.0 - GLOBAL EXECUTIVE CONSTRAINT

The CEO shall not cause or allow any practice, activity, decision, or organizational circumstance which is either unlawful, imprudent or in violation of accepted Fraternal policies or commonly accepted business and professional ethics.

Report: Decisions, activities, practices and organizational circumstances have been conducted in a lawful and prudent manner and in accordance with our accepted fraternal policies and commonly accepted business and professional ethics.

Respectfully Submitted:



Drew M. Thawley, CEO

TO: Grand Council

FROM: Drew Thawley

DATE: February 5, 2005

RE: Monitoring Report on Policy 2.1

POLICY 2.1 - TREATMENT OF BROTHERS

With respect to interactions with brothers or those applying to be brothers, the CEO shall not cause or allow conditions, procedures, or decisions that are unsafe, undignified, or unnecessarily intrusive.

Report: Through interactions with brothers or those applying to be brothers, the CEO has not caused or allowed conditions, procedures, or decisions that are unsafe, undignified or unnecessarily intrusive.

One approach we take to providing non-intrusive education that leads to a more safe condition is through AlcoholEdu. Some interesting results are now coming in as we have completed our third year of the course and after 2,319 course completions.

<i>Year</i>	<i># of AΣΦ taking AlcoholEdu</i>
2002-2003	748
2003-2004	814
2004-2005	757

As we look at increasing the basic level of knowledge of shifting the “norms” within the brotherhood, perception of others’ usage is important. One of the interesting metrics in the survey results is how perceptions of others’ usage have changed as a result of the survey.

Which of the following best represents the attitude of most students at your school about alcohol?

<i>Choices</i>	<i>Pre-Survey</i>		<i>Post-Survey</i>	
	<i># Answered</i>	<i>% responding</i>	<i># Answered</i>	<i>% Responding</i>
Drinking is never a good thing to do.	11	1.5%	34	4.6%
Drinking is okay, but a person should never get drunk	19	2.5%	79	10.6
Occasionally getting drunk is okay, as long as it doesn’t interfere with academics or other responsibilities	361	47.9%	433	58.3
Occasionally getting drunk is okay, even if it does interfere with academics or other	204	27.1%	124	16.7%

responsibilities.				
Frequently getting drunk is okay if that's what the individual wants to do.	158	21.0%	73	9.8%
Total:	753		743	

Further, without limiting the scope of the foregoing by this enumeration, the CEO shall not:

1. Use methods of collecting, reviewing, transmitting, or storing brother information that fail to protect against improper access to the material elicited.

Report: Brother information is gathered through the completion of a biographical data form. Only occasionally (< 5%) does our staff have difficulty deciphering information provided on the biographical data form; at which point we either call or email the person to acquire accurate information.

This form can be completed electronically or manually and is always readily available on our web site. Once received, the information is stored in a database. The database is only accessible from within the office and is protected by a password that is assigned by either me or by Denis Beaudoin. In the past, the password was not changed regularly; Denis and I are exploring options for a scheduled password change. Only a subset of that data is available via our web site and each individual record is protected by an individualized password.

Brother information is backed up daily and stored off site to assure the safe keeping of information in the event of a calamity with the in-office data.

2. Fail to provide appropriate accessibility and privacy in national facilities.

Report: Appropriate accessibility and privacy in national facilities has been provided. Our headquarters building is wheelchair accessible on the first floor; our programs have been held at facilities that have been accessible to all our members. The headquarters is also accessible to our undergraduate members via an 800 phone number, fax machine, email and other traditional means. Privacy is also provided to our staff and visitors with closely monitored key and alarm system access. Member, chapter and vendor information is also protected and kept private.

Over 125 undergraduate and 35 alumni brothers have visited Fraternity Headquarters in the 2004-2005 year.

3. Fail to establish with brothers a clear understanding of what services may be expected and what services may not be expected.

Report: We have established a list of services and have been communicating those in our Brotherhood Bulletin and Leaders Circle. We have chosen to highlight one major area of

services at a time (i.e. membership materials, or mailings) rather than one complete list due to the current development of the full suite of services.

Moving forward we expect to make significant advances in this area. i.e.: web site page detailing "service offering" from headquarters staff and the facility and professionally developed literature detailing the many services provided by headquarters staff and at fraternity headquarters. This will be distributed to parents, volunteers and undergraduates and university officials.

4. Fail to inform brothers of this policy.

Report: We have informed brothers of their protections through the Brotherhood Bulletin that is sent to all undergraduate members with an e-mail address and through the Leaders Circle that is emailed to all chapter Prudential Committee officers and chapter GCAs.

Further, through the use of an external email delivery service, we are able to track whether these emailed newsletters have been opened and by whom. This allows us to know that, on average, over 60% of the Brotherhood Bulletin recipients (roughly 2,100 members) and over 70% of the Leaders Circle recipients (roughly 400 members) open each newsletter. In the past, this information was not traceable.

5. Fail to provide a way for brothers to be heard who believe they have not been accorded a reasonable interpretation of their protections under this policy.

Report: Through our communications, we have made members aware that the staff makes interpretations of our policies and that if they feel staff interpretations are unreasonable they can bring their dispute to the Council. Consistent language is used under each policy related article informing readers of the proper method to contest a staff interpretation.

Similarly, with all sanctions and policy related communications to chapters and colonies outside of the above mentioned newsletters, recipients are reminded of same procedure.

6. Fail to provide a means for submitting an appeal to the Grand Council (and/or Grand Chapter) on the grounds that they have not been offered a reasonable interpretation by the CEO under this policy.

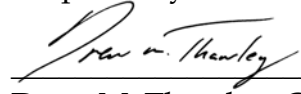
Report: When someone wants to appeal an item, they are advised on the specifics of how to appeal. As a direct means, each Grand Councilor's e-mail address is listed on our web site and we also supply the GSP's e-mail address in any communication that we feel may be appealed.

7. Fail to establish a mechanism to capture customer or owner complains.

Report: All complaints are forwarded to the CEO and handled directly. If the complaint is regarding some action the CEO was involved in, the GSP is advised.

Our most common complaints (likely 5 per week) are regarding either membership dues or regarding cancellation fees for leadership programming. In nearly each instance, the member is reminded of their signed agreement and then held accountable for their respective fee or penalty.

Respectfully Submitted:

A handwritten signature in cursive script, appearing to read "Drew M. Thawley", is written over a horizontal line.

Drew M. Thawley, CEO

TO: Grand Council

FROM: Drew Thawley

DATE: February 5, 2005

RE: Monitoring Report on Policy 2.2

POLICY 2.2 - TREATMENT OF CHAPTERS

With respect to the treatment of chapters or those applying to be chapters, the CEO may not cause or allow conditions that are unfair or undignified.

Report: My interpretation of the Policy 2.2 is that all chapters and colonies are treated in a way that is equitable, safe and dignified. We have not caused or allowed conditions that are unfair or undignified for our chapters or those applying to be chapters.

One of the more important exercises we go through with nearly all chapters each year is the communication of basic expectations according to the standards of the national fraternity. One mechanism used to distribute basic expectations is the completion of the Standards of Excellence Matrix. To date, 55 of these forms have been completed with as many chapters and colonies.

Further, without limiting the scope of the foregoing by this enumeration, the CEO shall not:

1. Fail to establish a clear understanding of what services may be expected and what services may not be expected.

Report: We have established a list of services and have been communicating those in our Brotherhood Bulletin and Leaders Circle. We have chosen to highlight one major area of services at a time (i.e. membership materials, or mailings) rather than one complete list due to the current development of the full suite of services.

Moving forward we expect to make significant advances in this area. i.e.: web site page detailing "service offering" from headquarters staff and the facility and professionally developed literature detailing the many services provided by headquarters staff and at fraternity headquarters. This will be distributed to parents, volunteers and undergraduates and university officials.

2. Fail to treat without prejudice chapters or those applying to be chapters or to be reinstated as chapters if they have met the qualifications.

Report: All chapters and those applying to be chapters have been treated without prejudice. Any group requesting to be rechartered or chartered is automatically listed on our legislative agenda.

Further, all groups requesting to be rechartered or chartered are provided with consistent guidelines via the Expansion Resource Handbook and are strongly encouraged to take advantage of the Expansion Education Program. Each document is designed to educate a new group on basic expectations of chapter membership as well as expectations of individual membership.

13 groups have received these documents to date in '04-'05.

3. Fail to acquaint chapters or those applying to be chapters with the CEO's interpretation of their protections under this policy.

Report: All members and chapters are aware that our policies are subject to interpretation and that they have protections and under this policy.

4. Prevent chapters or those applying to be chapters from grieving to the board when (A) internal grievance procedures have been exhausted and (B) the chapters or those applying to be chapters alleges that board policy has been violated to its detriment.

Report: When chapters or groups applying to be chapters have issues that could be grieved, they are made aware that they can appeal our interpretation and decisions to the board if they feel that a policy has been violated.

When we closed our Millersville and York College expansion groups this year, there were men in each that did express disagreement to me over my decision. I clearly communicated to them that they were well within their rights to reach the GSP directly. I provided them with the GSP's contact information, but understand that they made no further contact.

5. Fail to have a mechanism to track complaints from chapters.

Report: When complaints from chapters are received they are handled by their initial contact and the CEO is made aware for future follow-up, if needed. If the chapter's complaint is regarding a decision or action involving the CEO, the GSP is advised and he may follow-up is needed.

To date, complaints have been caused by a misinterpretation at the chapter level, and once the complaint is managed, the chapters are satisfied with explanation. As normal, we have had an occasional complaint. Because it is difficult to qualify

between a chapter “complaint” and a chapter misunderstanding or misinterpretation, we have not tracked a number of chapter complaints, but would offer an estimate at less than five this academic year.

Additionally, we periodically place follow-up phone calls to our undergraduates and/or alumni after they have had an interaction with staff. I have found this type of activity highly informative, and use the outcomes of these conversations to help direct staff.

Respectfully Submitted:

A handwritten signature in cursive script, reading "Drew M. Thawley".

Drew M. Thawley, CEO

TO: Grand Council

FROM: Drew Thawley

DATE: February 5, 2005

RE: Monitoring Report on Policy 2.3

POLICY 2.3 - TREATMENT OF STAFF

With respect to the treatment of paid staff and volunteers, the CEO may not cause or allow conditions that are unfair, undignified, disorganized, or unclear.

Report: Paid staff and volunteers have been treated in a fair, dignified, organized and clear fashion. In the case where a staff member or volunteer feels to the contrary, they are made aware of their option to appeal to the board.

Further, without limiting the scope of the foregoing by this enumeration, the CEO shall not:

1. Operate without written personnel policies that clarify personnel rules for staff, provide for effective handling of grievances, and protect against wrongful conditions, such as nepotism and grossly preferential treatment for personal reasons.

Report: A policy manual is in place and is being updated. A form is in place where each new employee acknowledges receipt of the handbook and is made aware of their protections under this policy.

2. Discriminate against any staff member for expressing an ethical dissent.

Report: No staff member has been discriminated against for having ethical dissent.

3. Prevent staff from grieving to the board when (A) internal grievance procedures have been exhausted and (B) the employee alleges that board policy has been violated to his or her detriment.

Report: Staff has been made aware of their ability to grieve to the board when internal procedures are exhausted or when they believe a board policy has been violated to their detriment. This process is made available in the Employee Handbook that is given to each employee in the office.

4. Fail to acquaint staff with the CEO's interpretation of their protections under this policy.

Report: Via the Employee Handbook, staff is aware that all of our policies are open to interpretation and of the CEO's interpretation of this policy.

Respectfully Submitted:

A handwritten signature in cursive script, appearing to read "Drew M. Thawley".

Drew M. Thawley, CEO

TO: Grand Council

FROM: Drew Thawley

DATE: February 5, 2005

RE: Monitoring Report on Policy 2.5

POLICY 2.5 - FINANCIAL CONDITION AND ACTIVITIES

With respect to the actual, ongoing financial condition and activities, the CEO shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from board priorities established in Ends policies.

Report: While our cash flow remains a tremendous concern, we have avoided fiscal jeopardy. Fiscal jeopardy, to me, is defined as not being in a position to replenish borrowed reserves in a timely manner or to be in a position to cover our current obligations.

Further, without limiting the scope of the foregoing by this enumeration, the CEO shall not:

1. Expend more funds than have been received in the fiscal year to date unless the debt guideline (below) is met.

Report: As of December 31, 2004, we have increased our net assets by \$56,212.69 on the year.

As a significant obstacle to overall financial health, receivables continues to be a challenge despite the use of a collection agency, refined language on the bio form and more concerted efforts on behalf of our operations and consulting staff. Most telling, our Bios Forms (sales) went up 35% yr/yr, but our debt jumped just 12.5% yr/yr.

	July	Bios	August	Bios	September	Bios	October	Bios	November	Bios	December	Total Bios through 12-31-04
Old Debt	\$ 117,286	0	\$ 109,609	1	\$ 103,941	66	\$ 123,044	177	\$ 118,300	124	\$ 121,239	440
Total Debt	\$ 266,097		\$ 234,328		\$ 234,510		\$ 280,389		\$ 329,981		\$ 319,253	
Old to Total Ratio	44%		47%		44%		44%		36%		38%	
Prior Year Old Debt	\$ 103,581	5	\$ 101,467	3	\$ 100,117	26	\$ 115,750	139	\$ 111,420	101	\$ 118,696	326
Prior Year Total Debt	\$ 258,938		\$ 244,140		\$ 255,666		\$ 309,348		\$ 319,461		\$ 294,661	
Old to Total Ratio	40%		42%		39%		37%		35%		40%	

2. Indebt the organization in an amount greater than can be repaid by certain, otherwise unencumbered revenues within 60 days.

Report: The organization has not been indebted in an amount greater than can be repaid in a timely manner.

Our most significant risk in this area is liability insurance. Annually, the ~\$250,000 due to our provider is due in October. To date we have opted to pay on a cost-free three installment plan which has served us well and assisted with cash flow.

The due date for chapters and colonies to pay their insurance invoices is currently November 1 of each year because we rely on October 1 membership reports to assess the per man rate. This timing creates dramatic cash shortages, and reliably demands a draw on reserves short term. Moving forward, we will likely assess liability insurance rates based on a three year average and distribute bills in early summer, thus enabling a due date for invoices of October 1. We expect this will help with cash flow significantly and will reward growing chapters who will be billed at their average chapter size on a three year basis.

3. Use any long-term reserves that cannot be replenished within 60 days.

Report: \$45,000 was transferred from reserves to the operating account in October. \$50,000 has been replenished.

4. Conduct inter-fund shifting in amounts greater than can be restored to a condition of discrete fund balances by certain, otherwise unencumbered revenues within 60 days.

Report: No interfund shifting has taken place.

5. Fail to settle payroll and debts in a timely manner.

Report: I define "timely manner" as all payrolls satisfied on the 15th and end of each month and all debts satisfied within the time allowed for repayment. Payroll and debts have been settled in a timely manner.

6. Allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed.

Report: All tax payments have been accurate and timely.

7. Make a single purchase or commitment of greater than \$10,000. Splitting orders to avoid this limit is not acceptable.

Report: Since the last, the only items that exceeded \$10,000 were related to our liability insurance, Grand Chapter and shared expenses that we paid the Foundation. We have paid over \$170,000 for insurance related costs and \$25,000 in shares expenses.

8. Acquire, encumber or dispose of real property.

Report: No real property has been acquired, encumbered or disposed of.

9. Fail to aggressively pursue receivables after a reasonable grace period.

Report: We have defined a reasonable period as over 1 year.

NEW SERVICE @ \$14 per account Parson-Bishop Services Services began 9-1-04		OLD SERVICE @ 33% per account Creditors Financial Services		
Amount Sent Yr to Date	Collected Yr to Date		Amount Sent Yr to Date	Collected
\$11,625.73	\$3,502.99 (30%)		\$2,416.00 (Does not include the \$113k sent in previous yrs)	\$9,490.29
		10/02 thru 12/04	\$116,334.00	\$51,123.00 (43.9%)
Cost to Collect Yr to Date	\$462.00 (13%)	Cost to Collect Yr to Date		\$3,163.43 (33%)
TOTAL BILLED & COLLECTED SINCE AGENCY HAS BEEN ENGAGED		10/02 thru 12/04	\$127,959.73	\$54,625.99 42.7% (nat'l ave. = 18%)

10. Fail to insure that Foundation grant funds are used for educational programs and scholarships consistent with IRS standards.

Report: Funds approved by the Educational Foundation through the grant process have been used for those specific projects and consistent with IRS standards.

We have drawn \$106,317.54 on the granted \$295,000 in the original 2004-2005 Grant. We have drawn \$0.00 on the granted \$28,425 in the 2004-2005 Supplemental Grant.

December and January are not yet drawn from the grants; these draws will be sizeable as December and January are our heaviest leadership programming months of the 2004-2005 year.

11. Fail to adhere to Foundation grant policies and processes.

Report: This has been a learning year as we work with the Foundation on the grant. Today, we have made two draws on the grant successfully and have identified ways in which the relationship between the Foundation and the Fraternity could be improved by enhancing the Grant Making Policies. We continue to have cases when our interpretation of the Policies differs from that of the Foundation. While these differences have, at times, disrupted our organizational progress, we have remained committed to our mission and resolved what differences may exist.

I continue to believe that any differences or confusions about the Grant Making Policies themselves are actually rooted in some underlying misperceptions that the Fraternity and the Foundation have for one another. Ted and I have talked through any sticking points to date, but much progress is still needed.

- i. Shall not fail to require that all customers contribute a fair share of costs.

Report: Compared to other men's fraternities, we are in the middle third of groups based on Membership Fees. Based upon 2003-04 self reported data, 17 groups have lower 4 year membership costs and 26 have higher 4 year membership costs (6 of the 26 are within \$25 of our fees). The average for that year was \$501.23 compared with our number of \$500. The range was \$250 to \$905. It should also be noted that of the 44 groups reporting, 20 have some sort of chapter fee, in addition to individual membership fees. Alpha Sigma Phi now has a sliding scale chapter fee of \$100, \$150 or \$200 depending on chapter size, plus \$3 per man.

Respectfully Submitted:



Drew M. Thawley, CEO

TO: Grand Council

FROM: Mark Still

DATE: February 5, 2005

RE: Monitoring Report on Policy 3.5

POLICY 3.5 – BOARD MEMBERS’ CODE OF CONDUCT

The Grand Council commits itself and its members to fraternal, ethical, businesslike, and lawful conduct, including proper use of authority and appropriate decorum when acting as Grand Council members. Accordingly:

1. Members must have loyalty to the ownership, unconflicted by loyalties to staff, other organizations, and any personal interest as a brother.

Report: No evidence of misplaced loyalty was observed. Each member of the Council conducted themselves in a professional and ethical manner. Interactions with staff were conducted in accordance with the Carver Model for Board Governance and these policies.

2. Members must avoid conflict of interest with respect to their fiduciary responsibility.

- A. There will be no self-dealing or business by a member and the organization except when openness and appropriate competition are ensured

Report: No evidence of self-dealing was observed. No member of the Council conducted business with the Fraternity outside their role as a Grand Councilor, or Editor and Publisher of the Tomahawk.

- B. When the Grand Council is to decide upon an issue, about which a member has an unavoidable conflict of interest, that member shall absent himself without comment from not only the vote, but also from the deliberation.

Report: No evidence of conflict of interest was observed. At no time did a member of the Council declare such a conflict and absent himself from deliberations and voting as a result. Each Councilor submitted a Conflict of Interest Disclosure form declaring no conflict of interest between their roles as Grand Councilors and other outside interests.

- C. Grand Council members will not use their Grand Council position to obtain employment in the organization for themselves, family members, or close associates. Should a Grand Council member apply for employment, he must first resign from the Grand Council.

Report: No member of the Grand Council applied for a position in the organization, and neither family members nor close associates of Grand Councilors were hired during this period.

- D. Members will annually disclose their involvement with other organizations, which might produce a conflict.

Report: Each member of the Grand Council has submitted a Conflict of Interest Disclosure form. No conflicts of interest were noted.

- 3. Grand Council members may not attempt to exercise individual authority over the organization except as explicitly set forth in Grand Council policies.

- A. Members' interaction with the CEO or with staff must recognize the lack of authority vested in individuals except when explicitly Grand Council authorized.

Report: No evidence of individual influence attempts were observed, nor none reported by the CEO. Members remain attuned to the need to speak with one voice and to control interaction with the staff to assure strategic focus is maintained.

- B. Members' interaction with public, press or other entities must recognize the same limitation and the inability of any Grand Council member to speak for the Grand Council except to repeat explicitly stated Grand Council decisions.

Report: No evidence of departure from Council positions when dealing with outside entities was observed.

- C. Members will not make individual judgments of CEO or staff performance.

Report: No evidence of individual bias, prejudice, or judgments regarding CEO or staff performance was observed, and none was reported by the CEO.

- 4. Members will respect the confidentiality appropriate to issues of a sensitive nature.

Report: All members respected the confidentiality of deliberations and retained in their confidence the private matters of our Fraternity.

- 5. Members will properly prepare for Grand Council deliberations.

Report: Members were generally prepared for Council deliberations.

- 6. Members will contribute financially to the best of their ability each year.

Report: Members continued to support the Fraternity through personal funding of all travel related to attendance at Council meetings. In addition, the Council donated a total of \$4,712.32 to the Education Foundation in 2004.

- 7. Members will positively confront other Grand Council members when their behavior is inconsistent with the common good and these policies.

Report: While no evidence of behavior inconsistent with the common good and policies of the Council were observed, members remain open to such feedback should the need arise.



Mark D. Still

Grand Senior President

TO: Grand Council

FROM: Mark Still

DATE: February 5, 2005

RE: Monitoring Report on Policy 3.6

POLICY 3.6 – GRAND COUNCIL COMMITTEE PRINCIPLES

Grand Council committees, when used, will be assigned so as to reinforce the wholeness of the Grand Council's job and so as never to interfere with delegation from Grand Council to CEO. Accordingly:

1. Grand Council committees are to help the Grand Council do its job, not to help or advise the staff. Committees ordinarily will assist the Grand Council by preparing policy alternatives and implications for Grand Council deliberation. In keeping with the Grand Council's broader focus, Grand Council committees will normally not have direct dealings with current staff operations.

Report: No Grand Council committee involved itself with staff operations.

2. Grand Council committees may not speak or act for the Grand Council except when formally given such authority for specific and time-limited purposes. Exceptions and authority will be carefully stated in order not to conflict with authority delegated to the CEO.

Report: No Grand Council committee exceeded its authority as regards acting on behalf of the Council.

3. Grand Council committees cannot exercise authority over staff. Because the CEO works for the full Grand Council, he will not be required to obtain approval of a Grand Council committee before executing actions.

Report: No Grand Council committee attempted to exercise authority over the staff, as verified by the CEO.

4. Grand Council committees are to avoid over-identification with organizational parts rather than the whole. Therefore, a Grand Council committee which has helped the Grand Council create policy on some topic will not be used to monitor organizational performance on that same subject.

Report: No Grand Council committee was used to monitor organizational performance for an area in which that committee formulated policy recommendations.

5. Committees will be used sparingly and ordinarily in an ad hoc capacity.

Report: Only one (1) Grand Council committee has been formed to-date, that requested to develop plans for an on-line chat in accordance with our linkage plan. Two (2)

Members of the Council have been assigned to participate in a joint task force on fund raising sponsored by the Alpha Sigma Phi Educational Foundation

6. This policy applies to any group which is formed by Grand Council action, whether or not it is called a committee and regardless whether the group includes Grand Council members. It does not apply to committees under the authority of the CEO.

Report: This policy has been universally applied to all groups formed by the Council to support the governance needs of the body.



Mark D. Still

Grand Senior President

TO: Grand Council
FROM: Mark Still
DATE: February 5, 2005
RE: Monitoring Report on Policy 3.7

POLICY 3.7 - GRAND COUNCIL COMMITTEE STRUCTURE

A committee is a Grand Council committee only if its existence and charge come from the Grand Council, regardless whether Grand Council members sit on the committee. The only Grand Council committees are those which are set forth in this policy. Unless otherwise stated, a committee ceases to exist as soon as its task is complete.

1. Nominating Committee:

- A. Product: Properly screen potential Grand Council members—by no later than May 15 every two years.
- B. Authority: To incur costs of no more than \$1000.00 direct charges and nor more than 20 hours of staff time per annum.

Report: No Grand Council Nominating Committee was chartered during this period.



Mark D. Still
Grand Senior President

TO: Grand Council

FROM: Mark Still

DATE: February 5, 2005

RE: Monitoring Report on Policy 4.1

POLICY 4.1 - UNITY OF CONTROL

Only officially passed motions of the Grand Council are binding on the CEO.
Accordingly:

1. Decisions or instructions of individual Grand Council members, officers, or committees are not binding on the CEO except in rare instances when the Grand Council had specifically authorized such exercise of authority.

Report: No report of Grand Council members, officers, or committees attempting to direct the actions of the CEO have been received. Councilor sensitivity to the need for unity of control was reinforced during the strategic planning session held in September 2004.

2. In the case of Grand Council members or committees requesting information or assistance without Grand Council authorization, the CEO can refuse such requests that require, in the CEO's opinion, a material amount of staff time or funds or is disruptive.

A. The CEO must inform the Grand Council member or committee of that refusal.

Report: No reports of Grand Council members, officers, or committees requesting untoward information or assistance from the CEO or staff without authorization have been received. The CEO has reported no need to refuse requests for information or support.



Mark D. Still
Grand Senior President

MEMORANDUM

DATE: February 5, 2005

TO: Grand Council

FROM: Drew Thawley

RE: CEO Report for February 4-6, 2005 Meeting

Alpha Sigma Phi programs directly impacted over 250 men this January with leadership programming. Indirectly, we touched over 1,750 by impacting men in the vast majority of our chapters. Of course, there has been a lot of other activity since our January 11 conference call. Below are a few important items:

FINANCE

- Again, we are being very conservative to try and reduce expenses. As always, cash is very tight.
- Of the 471 Bio Forms received to date, 67% arrived with pledge fees. Last year we had collected 370 Bios to date. This is ~ 21% increase yr/yr.
- We have had a good month for undergraduate bill payments. As a result, our Total Debt has decreased by ~\$13,000.
- Total Debt as of February 2 = \$295,199.01 (February 2, 2004 = \$278,423.03)
- Over One Year Debt as of February 2 = \$110,167.58 (February 2, 2004 = \$112,343.56)
- We have had two bills require payments of over \$10,000 since January 11, totaling roughly \$30,000. They were for Insurance related costs and a payment related to the longstanding Eta Chapter lawsuit. We are within \$5,000 of meeting our deductible (\$50,000) with that case.

GROWTH

- The month of February will be telling as we begin to see more and more new recruits for the spring term.
- A sixth recruitment Symposium was hosted at Iowa State.
- We currently have an effort going on at Minnesota State - Mankato.
- Current Colonies: Northern Michigan (recharter), Univ. of Akron, Miami Univ. (Ohio), Penn State (recharter), Rutgers (recharter), College of Charleston, UVA - Wise, Appalachian State.
- Current Interest Groups: Bloomsburg, NC State (recharter), Clemson, Minnesota - Mankato
- I foresee our Rutgers effort proving unsuccessful in the coming months.

LEADERSHIP PROGRAMS

- I did encounter some difficulty with the recent Grant Drawdown. The difficulty was in regards to the information that the Foundation needs in order grant the Drawdown request. Information that had never before been specifically provided was requested. I believe strongly that any of these shifts need to be put on hold until the beginning of a new grant year. However, I managed through the difficulty and we have secured the Drawdown and established a pattern for future reference.
- As a result of reading the Foundation Board Book, I believe I see a shift in how they intend to represent funds that are designated for the Grant, but have not yet been paid out. In the past, the Foundation's financials represented an unpaid Grant balance as a liability. It looks to me like they are shifting this to a "Committed Expense" which is not an Asset and not a Liability. At this time, I see no impact on us, other than it might allow us some more flexibility as we approach the August, 2006 Leadership Conference. We will be able to access funds from a Grant before the Grant is actually executed. There is more to learn here, but it appears to be win/win.
- Charlotte, NC will be the site of our 2006 Grand Chapter & Leadership Conference. August 3-6, 2006. Contract has been signed, with certain exit clauses which I will manage in the event that our Grant request is not approved.
- Providing a full Grant, 2006 Burns Institute will be held at five regional locations January 20-22, 2006.
- Two Academies will be held in January 7-9 and 28-30. The first is a joint GCA/HSP Academy while the second is only for HSP's.

ALUMNI

- The *Tomahawk* is being mailed currently.
- The Annual Report was distributed in the first week of January as requested and is listed on the web site along with past Grand Council Annual and Semi-Annual Reports.

MONITORING

- The updated Policies Book is included as a part of this Board Book.
- Reports 2.0, 2.1, 2.2, 2.3, 2.5, 3.5, 3.6, 3.7, 4.1 are slated as part of this legislative agenda.

COMPLAINTS

- We have received one complaint that has elevated itself to the Grand Council level. I have attached the letter from Mr. Shelly with a memo from me detailing the issue and request that this be added to the legislative agenda.

Grand Council Resolution on Use of Insignia

WHEREAS, the Fraternity has adopted insignia that provide her distinction and recognition within her trade, and

WHEREAS, the some of the Fraternity's marks have been in use since her founding in December of 1845, and

WHEREAS, most of the Fraternity's marks are protected as registered trademarks by the United State Federal Trademark Law, and

WHEREAS, the loss of the exclusive use, or loss of control of the exclusive use, of her insignia would cause confusion, dissent, and irreparable detriment to the organization, and

WHEREAS, the Grand Council has the Constitutional authority to manage the affairs of the Fraternity when the Grand Chapter is not in session;

THEREFORE, BE IT RESOLVED:

Official versions of the Fraternity insignia shall be protected by trademark registration¹. The design or representation of the Badge, Coat of Arms, Flag, Phoenix Design, Seal, Delta Beta Xi Key Design, Oak Wreath Design, Greek and/or Roman letters Alpha Sigma Phi, and the words "Alpha Sigma Phi", "Alpha Sig(s)", or any derivation thereof, shall not be manufactured, created, used, or offered for sale by any person (member or otherwise), company, or firm except as specifically authorized in writing by the Chief Executive Officer or his designee.

The Chief Executive Officer or his designee are the only persons permitted to authorize commercial reproduction of the Fraternity's insignia, including the Badge, Coat of Arms, Flag, Phoenix Design, Seal, Delta Beta Xi Key Design, Oak Wreath Design, Greek and/or Roman letters Alpha Sigma Phi, and the words "Alpha Sigma Phi", "Alpha Sig(s)", "To Better the Man", or any derivation thereof. Anyone wishing to acquire merchandise bearing any insignia of the Fraternity shall obtain those items only from vendors which are currently authorized to produce or market official Alpha Sigma Phi merchandise.

Active chapters may utilize local commercial firms to produce material for their own chapter needs from time to time so long as such material is pre-approved and the vendor signs a one-time-use licensing agreement². Prior to ordering such material, the chapter shall obtain approval from the Chief Executive Officer or his designee. The Chief Executive Officer or designee shall not approve any text or design which

casts the Fraternity in a negative light or is otherwise contrary to the ideals of the Fraternity, specifically including but not limited to any materials deemed to glorify alcohol or illegal substance use, or any materials considered to be sexist or demeaning to women or other person(s).

MINUTES TO GRAND COUNCIL CONFERENCE CALL
March 8, 2005

Call to Order: 5:32 pm EST

Roll Call: Mark Still, Grand Senior President; Scott Grissom, Grand Junior President, Jeff Hoffman, Grand Treasurer (joined at 6 PM); Rich Ritter, Grand Marshal; Mike Young, Grand Councilor; Jonathan Burns, Grand Secretary; John Tilden, Grand Councilor; Chris Musbach, Undergraduate Grand Councilor; Matt Maurer, Undergraduate Grand Councilor; Nicholas Rexing, Undergraduate Grand Councilor.

Absent: Bob Kutz, Grand Historian

Guests: Drew Thawley, CEO; Ted Kocher, Foundation President

Reports:

GSP Report given by Still:

Still reported that he received a number of replies to the letter the staff sent to the Official Family in February. All input has been supportive and generally positive.

Foundation Report given by Kocher:

Reported that the Foundation had 111 donors for the abbreviated July to December fiscal year. 111 donors were 20 donors less than the previous year, but the \$14,000 donated was \$1,200 more than the previous year. Kocher also reported that the Board of Directors have provided him a lot of very positive feedback coming out of the February meetings held in Florida.

CEO Report given by Thawley:

Thawley reviewed CEO Report (Attached).

Old Business:

Motion made by Burns to approve February Meeting Minutes as provided. Seconded by Grissom. Passed unanimously.

Regarding the Grand Council's commitment to provide Stan Thurston with an undergraduate Board member, Thawley is to provide one lead candidate and two alternate candidates to Still before the April conference call.

Grissom provided an update on his continuing efforts to secure a replica of Louis Manigault's Badge.

New Business:

Motion was introduced to accept the nomination of Jim Vanek and Josh Orendi as co-GCAs for the Gamma Chi chapter at Indiana University. Motion made by Grissom, seconded by Young. Discussion about whether a "co"-GCA was appropriate and in accordance with the Fraternity's Constitution and Bylaws. Mike Young stated that he and Paul Radke had been appointed as co-GCAs for the Delta Tau chapter in the 1990's, and as such, precedent had been set. Vote called by Still. Passed unanimously.

The next face to face meeting will be held in Carmel at Ralph F. Burns Fraternity Headquarters on May 13-15, 2005. Thawley will make logistical arrangements.

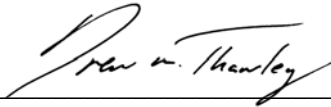
The fall Grand Council meeting is **tentatively** set for September 16-18, 2005.

Next conference call scheduled for Tuesday, April 5, 2005 at 5:30 Eastern Time.

Still called for motion to adjourn. Motion made by Grissom and seconded by Young. Passed unanimously.

Conference Call adjourned by Still at 6:05 PM EST.

Respectfully Submitted:



Drew M. Thawley, CEO



Jonathan Burns, Grand Secretary

MEMORANDUM

DATE: March 2, 2005

TO: Grand Council

FROM: Drew Thawley

RE: CEO Report for March 8, 2005 Conference Call

FINANCE

- As always, cash is very tight, but I have not had to hit reserves.
- We did request and receive a \$30,000 advance from the Foundation. This advance allowed us to avoid doing a full-blown grant draw out of the quarterly schedule.
- Tom Hinkley is no longer being compensated (he does continue to receive benefits).
- Of the 598 Bio Forms received to date, 64% arrived with pledge fees. Last year we had collected 501 Bios to date. This is ~ 16% increase yr/yr.
- Total Debt as of March 2 = \$327,524 (March 2, 2004 = \$ 291,310)
- Over One Year Debt as of March 2 = \$110,673 or 34% of total (March 2, 2004 = \$112,218 or 38.5% of total)

GROWTH

- Bios are still over 16% higher than last March 1.
- We continue to see less than expected revenue from expansion which I credit to our shift in priority from quantity of new groups towards quantity of the number men in the new groups (focus on larger groups instead of more groups). The income will occur later than expected, and may not be in the 04-05 fiscal year.
- Miami of Ohio, College of Charleston, University of Akron and Northern Michigan have all indicated intent to file a petition before the end of the academic year...the fall could be busy with charterings!
- Current Colonies: Northern Michigan (recharter), Univ. of Akron, Miami Univ. (Ohio), Penn State (recharter), Rutgers (recharter), College of Charleston, UVA - Wise, Appalachian State.
- Current Interest Groups: Bloomsburg, NC State (recharter), Clemson, Minnesota - Mankato

LEADERSHIP PROGRAMS

- Anticipated Grant Request document was filed and supported by the Grants Committee. Grant Request due April 1, 2005.
- Fraternity and Foundation staffs and Larry Ness (accountant) held meeting this week to explore details of new timing of grants and how that new timing impacts the money and paper flow. Very productive meeting. A win/win for both organizations.

Respectfully submitted.

MINUTES TO GRAND COUNCIL CONFERENCE CALL
April 5, 2005

Call to Order: 4:35 pm EST

Roll Call: Mark Still, Grand Senior President; Scott Grissom, Grand Junior President, Jeff Hoffman, Grand Treasurer (joined at 6 PM); Rich Ritter, Grand Marshal; Mike Young, Grand Councilor; Jonathan Burns, Grand Secretary; John Tilden, Grand Councilor; Matt Maurer, Grand Councilor; Nicholas Rexing, Grand Councilor.

Absent: Chris Musbach, Grand Councilor

Guests: Bob Kutz, Grand Historian; Drew Thawley, CEO; Ted Kocher, Foundation President (left call after Foundation report)

Reports:

GSP Report given by Still:

Still reported that he received a number of replies to the letter the staff sent to the Official Family in February. All input has been supportive and generally positive.

Foundation Report given by Kocher

CEO Report given by Thawley:

Thawley reviewed CEO Report (Attached).

Old Business:

Motion made by Burns to approve March Meeting Minutes as provided. Seconded by Grissom. Passed unanimously.

Thawley shared process for choosing the Grand Council's selection for Undergraduate Representative to the Educational Foundation's Board of Directors for the term of July, 2005 through June, 2007. He is to provide one lead candidate and two alternate candidates to Still before the May conference call.

Grissom provided an update on his continuing efforts to secure a replica of Louis Manigault's Badge.

New Business:

Motion was introduced to accept the nomination of the following as GCA. Motion made by Grissom, seconded by Hoffman. Passed unanimously.

Don Carmichael, Lawrence Tech '70

GCA for Central Michigan, Delta Rho Chapter

Chris Kyle, Lindenwood '97

GCA for Lindenwood University, Epsilon Beta Chapter

Discussion regarding the effectiveness and implementation practices of the Grand Council Linkage Plan began. Still tabled conversation until the face-to-face meeting in May, 2005.

Comments:

It was decided that there will be a May conference call on May 3, 2005 in addition to the May face-to-face meeting, May 13-15, 2005.

Still guided Grand Council through an in-depth discussion about the Fraternity's strengths, weaknesses, opportunities and threats (SWOT). The output from discussion will provide valuable input into Still's Strategic Visioning document (to arrive in draft form to the Grand Council in advance of May 13, 2005.)

The next face-to-face meeting will be held in Carmel at Ralph F. Burns Fraternity Headquarters on May 13-15, 2005. Thawley will make logistical arrangements.

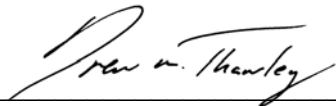
The fall Grand Council meeting is **tentatively** set for September 16-18, 2005.

Next conference call scheduled for Tuesday, May 3, 2005 at 5:30 Eastern Time.

Still called for motion to adjourn. Motion made by Grissom and seconded by Young. Passed unanimously.

Conference Call adjourned by Still at 5:35 PM EST.

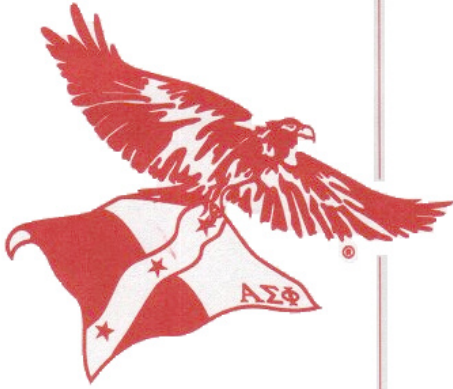
Respectfully Submitted:



Drew M. Thawley, CEO



Jonathan Burns, Grand Secretary



ALPHA SIGMA PHI.
FRATERNITY
NATIONAL
HEADQUARTERS



710 Adams Street
Carmel, Indiana
46032



(317) 843-1911
Fax (317) 843-2966



e-mail-hq@alphasigmaphi.org

MEMORANDUM

DATE: April 1, 2005
TO: Grand Council
FROM: Drew Thawley
RE: CEO Report for April 5, 2005 Conference Call

March was a good month for bio forms, receivables, staff retention, relationship with foundation and development of resources and services. The downside of March was the realization that some of our ambitious expansion expectations will fall short and the news that Denis Beaudoin will be leaving the Foundation's staff.

FINANCE

- We requested and received a \$104,000 Grant Draw from the Foundation.
- Cash flow has been positive recently, with "season" of savings approaching in Q4.
- Total Debt as of April 1, 2005 = \$340,130
(April 1, 2004 = \$342,860)
- Old Debt as of April 1, 2005 = \$127,939 or 38% of total
(April 1, 2004 = \$164,283 or 47% of total)

GROWTH

- Bios are over 9.5% higher than last April 1 at 752 received. 62% of which arrived with Pledge Fee. This is roughly 20% higher than last year on April 1.
- University of Toledo, Beta Rho, has a new 20 man Interest Group who is largely made up of student government leaders. Alumni are recruited.

ASSESSMENT/MEASUREMENT

- EBI is complete for 04-05. 42% of undergraduates participated. (32% for 03-04)
- AlcoholEdu deadline shifted to May 1, 2005 from October 1 as a result of the change in Liability Insurance allocation timing.

LEADERSHIP PROGRAMS

- Grant Request due April 1, 2005. Included estimated Grant needs into 08-09.
- ALL current staff returning for 05-06. I am in process to hire one new staff member.

BOARD EDUCATION

- Board of Directors Meeting to be held at Fraternity Headquarters July 15-17, 2005.
- About 160 of the 800 colleges with Greek systems have a rule postponing rush until the spring. The NIC has become very outspoken on this issue, and is currently taking University of Colorado head on in an effort to prevent the administration there from moving their open recruitment to the Spring.

Respectfully submitted.

MINUTES TO GRAND COUNCIL CONFERENCE CALL
May 3, 2005

Call to Order: 4:33 pm EST

Roll Call: Mark Still, Grand Senior President; Rich Ritter, Grand Marshal; Mike Young, Grand Councilor; Jonathan Burns, Grand Secretary; John Tilden, Grand Councilor; Chris Musbach, Grand Councilor; Matt Maurer, Grand Councilor; Nicholas Rexing, Grand Councilor; Bob Kutz, Grand Historian (joined at 5:44pm).

Absent: Scott Grissom, Grand Junior President; Jeff Hoffman, Grand Treasurer.

Guests: Drew Thawley, CEO; Dan Duncan, Dir. of Business Operations.

Reports:

GSP Report given by Still:

Still reported that he is working on the Strategic Plan. Looking to present his draft product to Council prior to the May face-to-face meeting. Council will give feedback to produce finished product.

CEO Report given by Thawley:

Thawley reviewed CEO Report (Attached).

Old Business:

Grand Secretary's Manigault Badge Project: Duncan (in absentia of Grissom) provided an update on continuing efforts to secure a replica of Louis Manigault's Badge. The sample is done and will be at FHQ by May 6th. Price is between \$100 and \$175.

Online Chat Initiative: Tilden is looking at early fall of 2005 for the chat to happen. He is hoping for an update on The Tomahawk deadline for the next issue so that we can work in some advertising for the chat.

Annual & Semiannual Report Update: Burns outlined his plan to compile and distribute the Annual and Semiannual Reports in August and January.

Semi-Annual 2005

- August/ EARLY September
- Letter from GSP or designate (perhaps the Grand Secretary)
- EBI 04 and 05
- Fraternity Trends

Annual 2006

- January / EARLY February

- Letter from GSP or designate (perhaps the Grand Treasurer)
- Policy Statement & Ends Results for 04-05 academic year
- Audited Financials for 04-05 academic year

Burns moves to accept proposed timing of the Reports. Second by Ritter. Voice vote: unanimous.

New Business:

-Young moves to accept Thawley's recommendation of Justin Andolina as the Undergraduate Representative to the Board of Director of the Alpha Sigma Phi Educational Foundation. Second by Musbach. Voice vote: unanimous.

-Burns moves to accept the recommendations of the following brothers as GCA for the following groups:

Bryan Clarke, Delta Iota Chapter, Longwood College
 Whit Coolbaugh, Gamma Lambda Chapter, Barton College
 Patrick Dalessandro, Beta Rho Colony, Univ. of Toledo
 Kevin Konecny, Gamma Zeta Chapter, Bowling Green St. Univ.
 Joel Hocking, Epsilon Epsilon Interest Group, Bloomsburg University
 Marc Mitchell, Epsilon Eta Chapter, Salisbury University
 Gus Rydhom, Delta Beta Colony, Northern Michigan University
 Shawn Schiffner, Alpha Xi Chapter, Illinois Inst. of Tech.

Comments:

-Still asks for feedback on the Grand Council future meeting schedule. Ritter suggests meeting for longer periods of time, but not more often. Still asks everyone to think about what they would be comfortable with and prepare to discuss at meeting.

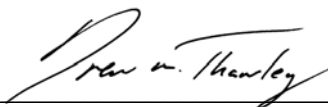
-Ritter reports that a Fundraising Task Force meeting has been scheduled for next week. He should have an update by the face to face meeting.

Next meeting is May 14 at 8am (central time) at Fraternity Headquarters.

Still called for motion to adjourn. Motion made by Ritter and seconded by Burns. Passed unanimously.

Conference Call adjourned by Still at 5:14 PM EST.

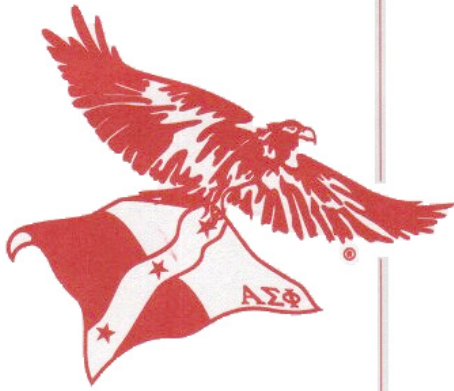
Respectfully Submitted:



Drew M. Thawley, CEO



Jonathan Burns, Grand Secretary



ALPHA SIGMA PHI.
FRATERNITY
NATIONAL
HEADQUARTERS

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MEMORANDUM

DATE: April 28, 2005
TO: Grand Council
FROM: Drew Thawley
RE: CEO Report for May 3, 2005 Conference Call

Please forgive the length of this report!

Since starting the CEO role in August, I have been continually focused on measurement. Sure enough, those numbers are starting to tell a story that helps to justify many of the organizations activities ranging from visioning to relevance to expansion to overhauling the accounts receivable area to staff allocation.

Of particular note this month is our progress on

- Fund Raising Task Force front
- Communications management agency research and decision
- Strategic Service Plan
- Relevance Research Complete

Looking forward to having everyone here in two weeks. I'll be distributing advanced materials and specifics as we near the weekend.

FINANCE

- On track for roughly \$115k accrual surplus at end of year. Budget was roughly \$130k.
- Cash flow good in April with nearly enough cash on hand to get us to the end of year w/ expenses (excluding College of Character). Still unsure how much cash will be on hand at end of year. All owed debts and bills are current.
- Total Debt as of April 28, 2005 = \$336,173
April 1, 2005 = \$340,130
April 1, 2004 = \$342,860
- Old Debt as of April 28, 2005 = \$162,132 or 48% of total
April 1, 2005 = \$127,939 or 38% of total
April 1, 2004 = \$164,283 or 47% of total

GROWTH

- I am changing our expansion focus away from a “shot gun” approach towards a method that will add larger, but fewer, chapters. UMass and Mizzou are on for 05 and 06.
- Similarly, this shift will be accompanied by some proposals that I hope to share throughout the summer on a more reasonable (and financially rewarding) outlook on chartering and young group development.
- One year contract and three year agreement made with Phired Up Productions to continue recruitment symposium work.
- Two colonizations took place in the last two weeks: 25 at NC State (Beta Zeta) Colony & 27 at University of Toledo (Beta Rho). Alumni are organized at each.
- Miami of Ohio has submitted a petition just this week with 47 men. It will be on your next meeting agenda.
- Bios are over 11% higher than last April 28 at 877 received. 63% of which have Pledge Fee have pledge fee paid.
- A group of good men from University of Edinburgh in Scotland asked to join Alpha Sigma Phi; we declined.

ASSESSMENT/MEASUREMENT

- The Relevance Research project is complete. 180 undergraduate and alumni of Alpha Sigma Phi participated along with roughly a dozen university administrators.

LEADERSHIP PROGRAMS

- Grants Committee call on May 5, 2005.
- The vision I provided for future years of the grant has been well received. I understand the risk in projecting a growth in the grant, but I felt it necessary to provide the BoD with an example of how I would leverage an increase.
- College of Character registrations very slow; starting to be concerned about ending up below breakeven point and will consider calling the program off if registrations are too low.
- Staff interviews were conducted two weeks ago. Offer not yet extended.

BOARD DEVELOPMENT

- I am recommending Justin Andolina from Bentley to fill the Foundation Board of Director's position. I have attached his application to the advance materials. I kindly request a motion to approve his recommendation to the Board of Director's during New Business.
- Nick Rexing will be leaving the Grand Council a few months prematurely due to his future employment with the FBI. Chris Musbach will be on the Grand Council through December, 2005. Both of these men will need to be replaced and I have begun the process of identifying candidates and collecting applications.

BOARD EDUCATION

- Board of Directors Meeting to be held at Fraternity Headquarters July 15-17, 2005.

- NIC House of Delegates Meeting:
 - I feel strongly that Alpha Sigma Phi needs to be represented at the NIC Board level. Ed Pease is taking recommendations sooner next year.
 - Jim Estes, Kappa Alpha Order, President / Marc Katz, Alpha Epsilon Pi, VP
 - Some interesting stats from the first year of NIC standards:
 - 150+ chapters = 8 member organizations
 - 75+ chapters = 14 member organizations
 - 74 and below chapters = 42 member organizations
- | | | | |
|-------|----------|---------|------------------|
| | Chapters | Average | Range of pledges |
| 150+ | 1753 | 219 | 1894-5567 |
| 75+ | 1552 | 111 | 1361-2574 |
| 74- | 1476 | 35 | 38-795 |
| Total | 4781 | 75 | |
- 2003-2004: 109 chapters opened and 115 closed (1,500 closed since 1990)
- | | | | | |
|-------|-----------|------------------|------------|-----------|
| | Initiates | ave. per chapter | Range | Retention |
| 150+ | 27,746 | 15.8 | 6.8 – 22.7 | 86.4% |
| 75+ | 21,595 | 13.9 | 5.6 – 16.7 | 78.1% |
| 74- | 10,943 | 7.4 | 5.6 – 14.8 | 83.8 |
| Total | 60,284 | | | 83% |
- 32 organization's members invested 1,444,932 community service hours; note not all chapters of the 32 member organizations reported
 - 32 organization's members raised \$5,467,616 for various philanthropies; note not all chapters of the 32 member organizations reported
 - 38% of men's chapters are above all-men's average / 9% below 2.5 gpa
 - 33% of 3,300 chapters are over 3.0 and trending upward
- Congressional Hill Visit went well, Bernie Schulz and I met with Congressman Frank Wolf and he is in support of The Collegiate Housing and Infrastructure Act.
 - Link to Bills currently addressing fraternity related issues, notably the Collegiate Housing and Infrastructure Act: <http://www.fraternalcaucus.com/issues.html>
 - NIC Bylaws were changed in Section 5. Comity
 - If an NIC member organization closes a chapter, another member organization can not swoop in and claim the group as theirs. This would defeat the purpose behind the parent organization's initiative to close the group.

MONITORING REPORTS

- Reports 2.4, 2.5 and all ENDS will be submitted at May meeting.
- Reports 2.6, 2.9, 3.0, 3.2, 3.3, 3.8, 4.2 and 4.3 will be submitted in August

Respectfully submitted.



MINUTES of the GRAND COUNCIL
May 14, 2005

Call to Order: 8:04 am EST

Roll Call: Mark Still, Grand Senior President; Scott Grissom, Grand Junior President (via phone); Jeff Hoffman, Grand Treasurer, Rich Ritter, Grand Marshal; Mike Young, Grand Councilor; Jonathan Burns, Grand Secretary; John Tilden, Grand Councilor; Matt Maurer, Grand Councilor; Bob Kutz, Grand Historian.

Absent: Chris Musbach, Grand Councilor, Nick Rexing, Grand Councilor

Guests: Drew Thawley, CEO; Steve Latour, Chapter Leadership Consultant.

Reports:

CEO Report given by Thawley:

Thawley reviewed CEO Report (Attached).

FRTF Report

Ritter reviewed FRTF Action Plan as proposed.

Motion to approve the FRTF Plan made by Grissom. Seconded by Young. Passed Unanimously.

Motion to approve continued representation to the FRTF with the existing three Grand Councilors made by Tilden. Seconded by Maurer. Passed unanimously.

Report on Manigault Replica Badge Report (Grissom).

- Hoffman thinks we should reintroduce the idea of having past staff, etc., donate to fund the purchase of fraternity rings, etc.
- Everyone is happy with the prototype.
- Ritter, as Grand Marshal, to explore basic levels of esoteric ceremony to the badge.
- Kutz thinks that perhaps this should be presented to past Councilors who have served two terms as Councilors.
- Must communicate that this badge is ONLY for purchase from headquarters. Dan Duncan to send official letter to Kathy...amending the insignia agreement.

Old Business:

Motion to approve April 5, 2005 and May 3, 2005 Conference Call Minutes made by Ritter. Seconded by Maurer. Approved unanimously.

New Business:

Presentation and discussion on the Miami petition.

Motion to approve Miami of Ohio Colony's Petition for Charter made by Burns. Second by Grissom. Passed unanimously.

Motion to approve GCA's as proposed (listed below) by Tilden, Second by Ritter. Passed Unanimously.

Mike Crawford, Presbyterian College '92

GCA, College of Charleston, Colony

Barry Olson, Grand Valley State Univ. / Member at Large '97

GCA, North Carolina State University, Beta Zeta Colony

Bryan Pitney, Murray State University '98

GCA, University of Southern Indiana, Epsilon Gamma Chapter

Kutz suggested that we should change the GCA title to also include Grand Colony Advisor. This was suggested as a legislative item for the 2006 Grand Chapter.

Motion made by Young to accept Monitoring Reports 2.4 and 2.5 as submitted by Thawley. Seconded by Hoffman. Passed unanimously.

Motion made by Grissom to approve Ends review document as provided by Thawley. Seconded by Hoffman. Approved unanimously.

Motion to suspend the rules for purpose of discussing the vision document provided by Still made by Young. Seconded by Tilden. Passed unanimously.

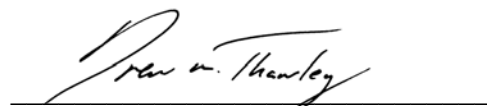
Motion to resume meeting made by Hoffman. Seconded by Ritter. Passed unanimously.

Still dismissed guests to discuss Grand Councilor self and group evaluations

Motion to adjourn made by Young. Seconded by Burns. Passed unanimously.

Adjourned at 5:35PM

Respectfully Submitted:



Drew M. Thawley, CEO



Jonathan Burns, Grand Secretary

MEMORANDUM

DATE: May 11, 2005
TO: Grand Council
FROM: Drew Thawley
RE: CEO Report for May 14, 2005 GC Meeting

There is little by way of numbers and stats to update you on since my last report of May 3, 2005. However, I am happy to say we have crested our lofty goal of 900 bio forms received; 12% above last year. Additionally, you should know that we have increased membership fees by \$20 next year, but the increase will not be realized until Membership Fee is collected roughly 7-9 months after initiation.

Mark Groenheide from the College of Charleston will be joining our staff on August 1.

As I write this, I am managing an accidental fall from a roof at Westminster College. I'll provide a timely update during our meeting.

Please accept the attached as background for the discussion taking place later today on our fine organization's vision.

Respectfully submitted.

A handwritten signature in cursive script, reading "Drew Thawley".

Memorandum

DATE: May 11, 2005

TO: Grand Council

FROM: Drew M. Thawley

RE: Policy Ends Statements

Please find below a report on the Ends as they were refined in the first half of the academic year of 2004-05. As this is my first opportunity to report on these Ends, I will be very interested in the feedback you will provide on the report's effectiveness at conveying the results of our efforts to serve each End.

You will note that the majority of the points under **1.1 C Undergraduates** are left empty. I respectfully request to report on these points after I am able to interpret the results of the EBI survey. Any attempt to complete these Ends for this report would either use 2003-04 data or fall well short of being useful.

From a formatting perspective, I have boxed in all of my comments under each End or sub-point.

Admittedly, a few of the Ends posed a great challenge to serve throughout the year, and as such, pose a great challenge to report. For many of the Ends, I reference the results on average (52 of 56 chapters completed a Standards of Excellence in 2004-05) and I have attached that at the end of this report for your reference.

Respectfully submitted.

Policy 1.0: Alpha Sigma Phi undergraduates and alumni subscribe to and exemplify the ritual in their chapters or councils, work and family lives.

Alpha Sigma Phi has integrated the virtues and values expressed in the Fraternity's ritual into the programming curriculums, publication articles, chapter interventions, recruitment education, chapter leadership development efforts and alumni advisor training.

The staff continues to work to administer or supervise the execution of ritual ceremonies in an effort to instill the "proper" method of ritual execution. In 2004-2005, the staff was present at 18 ritual ceremonies.

Membership is at a rate comparable to other men's Greek letter organizations.

Alpha Sigma Phi's membership process is comparable to other Men's Greek organizations with regard to the biographical data form, and three fees; the majority of our peers have a data form and at least five fees (Pledge, Initiation and annual fees).

Alpha Sigma Phi should work to refine the membership process by streamlining the biographical data submittal process and chapter-accessed roster management.

Alpha Sigma Phi's costs are comparable to other men's Greek organizations. In the 2003-04 year, our membership costs were \$500 whereas the Men's Greek average was \$501.50. In the 2004-05 year, our membership costs were \$520; data on other Men's Greek organization are not yet available. Our 2005-06 costs will be \$540.

Policy 1.1 A: Chapters – First Priority

1. Alpha Sigma Phi will be comprised of strong, functioning Chapters meeting the highest levels of quality in the following areas of operations as measured by a consistent measurement tool:

a. Diversity

I have found no reliable way of measuring this category. We have an indication that more and more groups are initiating men of different ethnic, religious and sexual orientation backgrounds, but our current database does not allow us to track any of this type of information.

We do have a well developed Inclusiveness Program, but to date the program has proven too large and cumbersome to fully implement. This program is viewable online.

I am aware of zero chapters that do not initiate men of different ethnic backgrounds. I am aware of zero chapters that do not initiate men of different religious background. I am aware of just one chapter that *may* not be initiating men who are openly gay.

b. Scholarship

94% of chapters have an average of 2.8 gpa.
52/56 chapters scored a 3.25 average on the Standards of Excellence Matrix in 2004-05.

42% of our chapters are above the All Men's Average.

c. Membership Recruitment

Overall recruitment numbers increased by 12% in 2004-05 and it appears that retention will improve slightly from % to %.

52/56 chapters scored a 3 badge average on the Standards of Excellence Matrix.

Year	Pledges	Initiates
1994 - 1995	854	541
1995 - 1996	760	686
1996 - 1997	821	656
1997 - 1998	536	498
1998 - 1999	Data Unavailable	718
1999 - 2000	814	556
2000 - 2001	890	643
2001 - 2002	827	614
2002 - 2003	737	707
2003 - 2004	796	668
2004 - 2005	897	YTD 499

	(21 outstanding)	
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d. Pledge Education

With the advent of the Position Statement on New Member Programs which states that all chapters should not exceed 8 weeks, exclusive of pinnacle week, we have worked to gauge how many chapters do not live to this standard.

We are aware of 8 chapters that currently exceed this standard. This position statement is always available on our website. We are aware of two chapters that do not meet the NIC standard of 12 weeks.

Further, the Alpha Phase is now available. The implementation of this program is still TBD, and we will decide how to implement after the Strategic Vision is complete.

e. Ritual Education

All chapters have access to the following and are made aware of these resources during all chapter visits, most Leaders' Circles and cross referenced in other manuals.

- Black Lantern Processional Guidebook
- Post Initiation Ritual Education Manual

f. Risk Management Education

g. Financial Management

h. Leadership and Brotherhood Development

As for individual programming:

202 undergraduates attended the Burns Institute.

39 undergraduate leaders, primarily HSP, attended the Academy of Leadership.

11 men attended either UIFI or Leadershape.

At the chapter level, 52 of 56 chapters averaged a 3 Badge on the Standards of Excellence Matrix.

i. Service and Philanthropy

To date we have not worked to capture actual Service and Philanthropy hours and dollars. Because this has recently become a standard for the NIC, I have begun working with my peers (who find themselves in similar situations) to determine the best mechanism for capturing the specific data.

On average, our chapters received a 4 Badge in this category.

j. Campus and Community Involvement

52 of 56 chapters, on average, have more than 40% of their chapter involved in other organizations than Alpha Sigma Phi.

2. Each Chapter will have positive, active advisory support.

24 chapter advisors were appointed in 2004-05.

11 chapters and colonies currently have vacancies (3 are replacements for outgoing GCA's).

These volunteers were approved by the undergraduate leadership, the outgoing GCA (if applicable) and the incoming GCA was fully educated on the responsibilities of the position before the volunteer was officially appointed by the Grand Council.

a. Advisors will be formally trained.

Alpha Sigma Phi has worked to increase the preparation, training and follow up with our advisors.

13 advisors attended the Advisors Academy at Fraternity Headquarters, January 7-9, 2005.

ALL new advisors are prepared via phone for the responsibilities by our staff.

b. Advisors will have written expectations of performance.

All GCA's have been provided the Chapter Advisor Manual which has a full description of performance expectations.

c. Advisors will receive at least annual feedback from the CEO or his designate on their performance and follow-on expectations .

We have begun a model designed to reach out to all GCA's on a regular basis to receive feedback, provide feedback and work to improve the quality of their volunteering experience. Based on these regular (quarterly) interactions, 16 of the 24 appointed GCA's in 2004-05 have been replacements for past GCA's that were underperforming. All GCA's are to be appointed every two years by the Grand Council. To date, this has been loosely adhered to.

3. Each Chapter will maintain a positive, proactive, and mutually supportive relationship with their campus administration.

I consider this essential to long term success of chapters. We accomplish this in four ways:

1. Remain actively involved in the professional associations and national meeting opportunities that university administrators belong to and take part in.

a. 3 staff members attended Association of Fraternity Advisors (AFA) National Meeting in December, 2004

b. 3 staff members facilitated UIFI in 2004; a reliable networking opportunity

c. Fraternity supports the Larry Philippi award given to the best Greek Advisor in the northeast; Tom Murphy of Monmouth University and the president of Phi Mu Delta national fraternity received the award in 2005.

2. Free and open communication with administrators.

3. Coordinated strategies to improve the experience of our brothers in our chapters.

a. 8/8 documented risk management violations were addressed in coordination with the university admin.

b. Our staff training focuses on the importance of the university administrators

c. CEO traveled with NIC Standards Team to University of Michigan to establish comprehensive

4. Educate undergraduate leaders and alumni advisors on the value of creating and maintaining relationships with university administrators.

4. Each Chapter will be risk management policy violation free

There were 8 documented risk management violations in 2004-05 at 7 different chapters.

All monthly email publications (Brotherhood Bulletin, Leaders' Circle, and Alumni Advisor News) contain an educative piece on a risk management policy.

All members sign an agreement to live by the Fraternity's policies.

All chapters but one submitted a Statement of Agreement form in the fall of 2004 recognizing the Fraternity's policies.

Policy 1.1 B: Alumni Members – Second Priority

1. Chapters will have active and positive alumni support which may include alumni corporations, associations, councils, Grand Chapter Advisor, or chapter advisory teams.

a. All chapters will have active alumni support by 2005

as reported 1.1 A2:

24 chapter advisors were appointed in 2004-05.

11 chapters and colonies currently have vacancies (3 are replacements for outgoing GCA's).

These volunteers were approved by the undergraduate leadership, the outgoing GCA (if applicable) and the incoming GCA was fully educated on the responsibilities of the position before the volunteer was officially appointed by the Grand Council.

2. Mentor and support undergraduate chapters, councils, associations, and housing corporations.

a. Learn from and teach undergraduates

b. Contribute to chapters' educational goals

Volunteer Alumni actively support the educational initiatives of the fraternity in two key ways:

1. promote leadership and educational programming in advance of actual program to encourage attendance.
2. support the learning and take-aways that occur at leadership and educational programs.

The staff regularly uses the Advisor Update to assist GCA's in their advisory roles regarding leadership and educational programming.

c. Provide safe undergraduate housing through house corporations

Alpha Sigma Phi has 12 "house corporations". However, an additional 18 to 20 chapters have groups of alumni that serve as landlords for a facility. Many times these teams serve as house corporations, advisory teams and alumni councils.

d. Provide financial support

Just 35% of our GCA's are donors to the FND, but 38% of all alumni who support a chapter in a volunteer role donate to the FND.

We do not currently track how many GCA's donate to their chapters.

3. Actively communicate with alumni the successes and issues facing the fraternity

The monthly distribution of the Alumni Update addresses the successes and failures of the organization. More importantly, this publication addresses cultural trends and other important "high level" information that is useful to them as volunteers.

Policy 1.1 C: Undergraduates - Third Priority

1. Undergraduates know and live the ritual
 - a. Held accountable for our values
 - b. Responsible and honorable men of character
 - c. Have a positive social experience
 - d. Committed to the ritual
 - e. Will pay their bills in a timely manner

63% of bios received in 2004-05 to date have the Pledge Fee paid in full. This data was not recorded in past years, so there is no reliable comparison.

I believe that we are trending towards a higher rate of pay because we have been receiving bio forms far closer to actual Pledge Ceremony dates than in previous years. This allows us to begin the billing cycle sooner in a brother's early membership.

As of 4-10-05:

Of the receivables as of 6/30/02, 23% remain outstanding. Of the receivables as of 6/30/03, 32% remain outstanding. Of the receivables as of 6/30/04, 49% remain outstanding.

2. Undergraduates are leaders
3. Undergraduates achieve academic success

Additional useful information:

Dates	6/93	6/9 4	6/9 5	6/9 6	6/9 7	6/9 8	6/9 9	6/0 0	6/0 1	6/0 2	6/0 3	6/0 4	6/0 5
Chapters	50	48	47	51	52	56	56	55	51	50	55	56	56
Colonies	1	3	6	4	6	4	4	6	7	11	6	7	10
Int. Groups	2	2	3	3	2	1	2	4	2	2	4	6	2
Total	53	53	56	58	60	61	62	65	60	63	65	69	68

TO: Grand Council

FROM: Drew Thawley

DATE: May 11, 2005

RE: Monitoring Report on Policy 2.4

POLICY 2.4 - FINANCIAL PLANNING/BUDGETING

Financial planning for any fiscal year or the remaining part of any fiscal year shall not deviate materially from board's Ends priorities, risk fiscal jeopardy, or fail to be derived from a multiyear plan.

Further, without limiting the scope of the foregoing by this enumeration, the CEO shall not:

1. Fail to include credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.

Report: For the fiscal year 2005, credible projections of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions was completed. As of March 31, 200, the actual results were below plan. We had budgeted for a gain of approximately \$136,000, and our unaudited actuals show a gain of approximately \$80,000. The main gap is attributed to the timing of our last grant draw of approximately \$70,000 for which we had already incurred expense. Once this number is added in (grant draw was completed 4-2-05), our actuals show a gain of \$150,000 which is above the projected position.

Although we do not officially budget out our cash flow, cash position was at approximately \$50,000, considering the same \$70,000 draw that arrived first week of April and was straight reimbursement for incurred expenses, which is in line with our expectations.

2. Plan the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period.

Report: All plans call for a receipt of more funds than expended during a fiscal year.

3. Reduce the current assets at any time to less than twice current liabilities.

Report: At no time during the year have current assets been less than twice current liabilities. Current assets are defined as all cash accounts and accounts receivables. Current liabilities are defined as accounts payable and deferred revenue.

4. Provide less for board prerogatives during the year than is set forth in the Cost of Governance policy.

Report: Policy number 3.8 needs to be updated each fiscal year and was not updated for fiscal year 2004 or 2005. Based on 2003 numbers plus inflation for two years, staff budgeted adequately. We need to align some accounts to properly reflect this policy. For instance, the cost of the audit is currently in our general management account and should be in our governance (formerly Grand Council) account.

Based on actual numbers, to date, governance met budget in fiscal year 2005.

The cost of the relevance and visioning document (an aggregate of our research initiative) will be categorized as Relevance Research and will be submitted for reimbursement within the grant.

TO: Grand Council

FROM: Drew Thawley

DATE: May 11, 2005

RE: Monitoring Report on Policy 2.5

POLICY 2.5 - FINANCIAL CONDITION AND ACTIVITIES

With respect to the actual, ongoing financial condition and activities, the CEO shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from board priorities established in Ends policies.

Report: We have avoided fiscal jeopardy. Fiscal jeopardy, to me, is defined as not being in a position to replenish borrowed reserves in a timely manner or to be in a position to cover our current obligations.

Further, without limiting the scope of the foregoing by this enumeration, the CEO shall not:

1. Expend more funds than have been received in the fiscal year to date unless the debt guideline (below) is met.

Report: As of March 31, 2005, we have increased our net assets by \$80,095.59 on the year. (When including the \$70,000 grant draw which was reimbursement for expenses represented in the March 31 number, the increase in net assets is \$150,095.59).

2. Indebt the organization in an amount greater than can be repaid by certain, otherwise unencumbered revenues within 60 days.

Report: The organization has not been indebted in an amount greater than can be repaid in a timely manner.

As reported in February, our most significant risk in this area is liability insurance. Annually, the ~\$250,000 due to our provider is due in October. To date we have opted to pay on a cost-free three installment plan which has served us well and assisted with cash flow, but still put us in a position to draw on reserves to sustain our cash needs through October until the first insurance payments arrived in November.

Moving forward, we will assess liability insurance rates based on a three year average and distribute bills in early summer, thus enabling a due date for invoices of October 1.

This will help with cash flow significantly and will reward growing chapters who will be billed at their average chapter size on a three year basis.

**Due to the 2003-04 year's loss record in conjunction with the addition of the Illinois Slip & Slide incident to our current loss record, we will see an estimated increase of \$100,000 to our premium. Our members will see an increase of roughly \$35 per head to compensate. I expect a strong negative reaction.*

3. Use any long-term reserves that cannot be replenished within 60 days.

Report: No reserves have been used since last report. We currently have \$38,383.60 investment funds and \$63,219.75 in a cash & money market account. Totaling reserves of \$101,603.35.

**I remain focused on increasing reserves by taking any reasonable positive cash asset at the end of the fiscal year and transferring it to reserves.*

4. Conduct inter-fund shifting in amounts greater than can be restored to a condition of discrete fund balances by certain, otherwise unencumbered revenues within 60 days.

Report: No interfund shifting has taken place.

5. Fail to settle payroll and debts in a timely manner.

Report: I define "timely manner" as all payrolls satisfied on the 15th and end of each month and all debts satisfied within the time allowed for repayment. Payroll and debts have been settled in a timely manner.

6. Allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed.

Report: All tax payments have been accurate and timely.

7. Make a single purchase or commitment of greater than \$10,000. Splitting orders to avoid this limit is not acceptable.

Report: Since the last, the three items exceeding \$10,000 were related to shared expenses that we paid the Foundation & the Tomahawk publication.

8. Acquire, encumber or dispose of real property.

Report: No real property has been acquired, encumbered or disposed of.

9. Fail to aggressively pursue receivables after a reasonable grace period.

Report: We have defined a reasonable period as over 1 year.

NEW SERVICE @ \$14 per account Parson-Bishop Services Services began 9-1-04		OLD SERVICE @ 33% per account Creditors Financial Services		
Amount Sent Yr to Date	Collected Yr to Date		Amount Sent Yr to Date	Collected
\$22,718.73	\$7,141.72 (31%)		\$2,416.00 (Does not include the \$113k sent in previous yrs)	\$11,933.59
		10/02 thru 12/04	\$116,334.00	\$53,566.30 (46%)
Cost to Collect Yr to Date	\$681.80.00 (9%)	Cost to Collect Yr to Date		\$3,977.80 (33%)
TOTAL BILLED & COLLECTED SINCE AGENCY HAS BEEN ENGAGED		10/02 thru 4/05	\$139,052.73	\$58,264.72 41% (nat'l ave. = 18%)

10. Fail to insure that Foundation grant funds are used for educational programs and scholarships consistent with IRS standards.

Report: Funds approved by the Educational Foundation through the grant process have been used for those specific projects and consistent with IRS standards.

We have drawn \$206,843.67 on the granted \$323,425 in the original 2004-2005 Grant and Supplemental Grant. \$116,581.33 remains to be drawn.

11. Fail to adhere to Foundation grant policies and processes.

Report: The Fraternity's relationship with the Foundation has improved dramatically; most measurably since the February meeting. Some observations:

- *Open and frequent dialogue between staffs and boards is essential.*
- *We received very positive feedback about the language and approach used in the most recent grant request that is still in front of the Foundation Board for approval in July.*
- *Best practices vary from grant to grant depending on what attorney or CPA interprets the request.*
- *I remain intent on having an addendum added to the Grant Making Policies that will capture some of the "best practices" learning this year and previous years. I believe Ted Kocher is amenable to this idea, however, neither of us taken the initiative to make it happen.*

➤ *Grant compliance consumes an increasing amount of my staff's time.*

- i. *Shall not fail to require that all customers contribute a fair share of costs.*

Report: As reported in February, compared to other fraternities, we are in the middle third of groups based on Membership Fees. Based upon 2003-04 self reported data, 17 groups have lower 4 year membership costs and 26 have higher 4 year membership costs (6 of the 26 are within \$25 of our fees). The average for that year was \$501.23 compared with our number of \$500. The range was \$250 to \$905. It should also be noted that of the 44 groups reporting, 20 have some sort of chapter fee, in addition to individual membership fees. Alpha Sigma Phi now has a sliding scale chapter fee of \$100, \$150 or \$200 depending on chapter size, plus \$3 per man.

For the 2005-2006 year, the Fraternity's fees will increase to \$540 (\$95 Pledge Fee, \$225 Initiation Fee, \$220 Membership Fee). The only increase is a \$20 increase in the Membership Fee.

Respectfully Submitted:



Drew M. Thawley, CEO

MINUTES of the GRAND COUNCIL CONFERENCE CALL
June 7, 2005

Call to Order: 5:31 pm EST

Roll Call: Mark Still, Grand Senior President; Scott Grissom, Grand Junior President; Jeff Hoffman, Grand Treasurer (joined at 5:42pm); Rich Ritter, Grand Marshal; Jonathan Burns, Grand Secretary; John Tilden, Grand Councilor; Bob Kutz, Grand Historian; Nick Rexing, Grand Councilor (left at 6:10pm); Chris Musbach, Grand Councilor; and Matt Maurer, Grand Councilor.

Absent: Mike Young, Grand Councilor; Drew Thawley, CEO.

Guests: Dan Duncan, Director of Business Operations; Ted Kocher, Foundation CEO.

Reports:

GSP Report by Still

- Still will contact Grissom and others who weren't able to attend the May meeting for feedback on the visioning document.

Foundation Report by Kocher:

- Donors (1-1-05 thru 5-31-05): 586 totaling \$50,000. Last year for the same time period numbers were 431 donors donating \$40,000.

- Fnd. received final distribution of the J. Guilford Gerlach estate. The most recent and final distribution of \$200,630 brought the total gift to just over \$2.05 million.

- Kocher is working with the Hoffman Agency to produce and mail the next round of written solicitation letters.

- Kocher will attend a "mini-reunion" of brothers from American the weekend of June 18th and will attend the same for a Penn State Alumni on July 8th.

CEO Report:

- Council reviewed Thawley's advanced Report. Attached.

Old Business:

Motion to approve May 14, 2005 Meeting Minutes made by Burns. Seconded by Grissom. Approved unanimously.

Online discussion update—John Tilden is looking at Sept. 22, 2005 for the online discussion. Fraternity would enter into a contract with online-chat company to provide a user-friendly chat area where members could share info and propose

questions. Still recommends looking into a contract as our next step. Tilden fielded questions about online security involved with the online chat i.e. spam, authentication. Tilden will look into those issues. Tilden asks for clarity on the target audience. Still asks that it be opened to everyone who wants to come. Hoffman asks for an emphasis on younger alumni and undergrad's, but that it be open to everyone. Tilden will put in more time and report again at the next call.

New Business:

The Council decided to table the nominations of Matt Hittle and Perry Opel as Grand Councilors until the July 5th Conference Call.

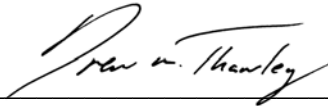
The Council agreed to set the next Grand Council meeting for July 5, 2005 at 5:30pm EST.

Motion to support the Delta Nu Chapter's recommendation to expel Brother Nate Rowles by Hoffman. Seconded by Musbach. Motion carries by voice vote with Grissom against the motion.


Motion to adjourn made by Grissom. Seconded by Burns. Passed unanimously.

Adjourned at 6:27 pm EST

Respectfully Submitted:



Drew M. Thawley, CEO



Jonathan Burns, Grand Secretary

MEMORANDUM

DATE: June 30, 2005

TO: Grand Council

FROM: Drew Thawley

RE: CEO Report for July 5, 2005 Grand Council Conference Call

THE FISCAL YEAR CONCLUDES TODAY! That's essentially one full year under my belt; a year that has been full of fun, challenge and reward for me personally. In looking at our preliminary metrics and taking in all of the planning and groundwork achieved during recent months, it has been a successful year for the Fraternity as well.

Some highlights as I look in the rearview mirror for a moment at what the staff and Council have achieved...

- Managed through the difficult loss of Ed Lenane's professional services.
- Managed the reclassing of non-accrued liabilities into the previous two fiscal years, and had cash on hand to meet unexpected expense.
- Started IRA contributions for all staff members.
- Retained all staff since December and into the 2005-06 year.
- FTY / FND relations improved dramatically.
- Rolled out new Liability Insurance Premium billing process.
- Scholarship applications for the fall of 2005 up from under 10 to over 120.
- Grew reserves and will end year with substantial cash on hand.
- Operated under budget for all granted programs and nearly all budgeted items.
- Strategic Vision document nearing completion.
- Strategic Services Plan developed to meet needs in Strategic Vision document.
- Our Five Values (here to for known as the Five Virtues) are public! We are now able to make curriculums and marketing materials congruent with Ritual.

FINANCE

We will underutilize the ~\$323,000 grant funds by ~\$50,000. This left over money will be requested in a Supplemental Grant to meet increased scholarship need in 2005-06. Preliminary numbers give us an increased net asset of ~90,000 and ~45,000 cash position at end of Fiscal Year.

Total Fee & Due Debt as of

June 2, 2005 = \$312,994
April 28, 2005 = \$336,173
April 1, 2005 = \$340,130
April 1, 2004 = \$342,860

Old Fee & Due Debt as of

June 2, 2005 = \$121,949 or 39% of total

April 28, 2005 = \$162,132 or 48% of total

April 1, 2005 = \$127,939 or 38% of total

April 1, 2004 = \$164,283 or 47% of total

GROWTH

Bios are over 11.4% higher than last June 30 at 920 received.

So many chapters participated in AlcoholEdu this year that the incentive loss (amount chapter will not have to pay) greatly outweighed the disincentive gain (amount chapters would pay as a surcharge for not participating). This means we have outlived the strong incentive approach to having our undergraduates complete AlcoholEdu. Moving into 2005-2006, we will reduce the weight of the incentive but keep it as an optional program.

SCHOLARSHIP

We have over 120 applications for scholarships and ample nominations for all awards. I have submitted a letter of intent to Ted indicating my intent to ask for a Supplemental Grant to satisfy increased need in this area.

Respectfully submitted.

A handwritten signature in cursive script, reading "Drew M. Hawley". The signature is written in black ink and is positioned below the "Respectfully submitted." text.

MINUTES of the GRAND COUNCIL CONFERENCE CALL
July 5, 2005

Call to Order: 5:33 pm EST

Roll Call: Mark Still, Grand Senior President; Scott Grissom, Grand Junior President; Jeff Hoffman, Grand Treasurer; Rich Ritter, Grand Marshal; Jonathan Burns, Grand Secretary; Mike Young, Grand Councilor; John Tilden, Grand Councilor; Bob Kutz, Grand Historian; Chris Musbach, Grand Councilor; and Matt Maurer, Grand Councilor.

Absent: Nick REXING, Grand Councilor

Guests: Drew Thawley, CEO

Reports:

GSP Report by Still

- Still will present the Vision Document to the Foundation's Board of Directors during their next meeting at FHQ in July.
- The Vision document is a living document that will require continual maintenance.
- During the next Grand Council call, Still will look to implement the Ends represented in the Vision Document.

CEO Report:

- Council reviewed Thawley's advanced Report. Attached.
- Grissom expressed concern for how the Five Values will be made public.

Old Business:

Motion to approve June 7, 2005 Meeting Minutes made by Burns. Seconded by Grissom. Approved unanimously.

Discussion was entertained by Still on the Strategic Vision v3.0. Tilden recommended adjusting the percentages related to the Ends Statements; Still concurred. It was requested that Thawley work with Still to enhance the "GAP Analysis" portions of the document.

New Business:

Discussion was entertained by Still on the conversations that Musbach had with each of the three candidates for the two Grand Councilor (undergraduate) openings.

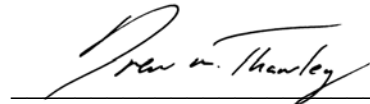
Motion to approve Matt Hittle to serve as Grand Councilor from September, 2005 to August, 2007 made by Grissom. Seconded by Hoffman. Approved unanimously.

Motion to approve Perry Opel to serve as Grand Councilor from January, 2006 to December, 2007 made by Burns. Seconded by Maurer. Approved unanimously.

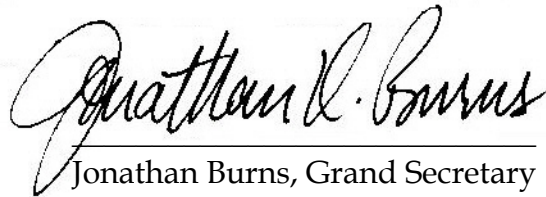
The Council agreed to set the next Grand Council meeting for August 2, 2005 at 5:30pm EST.

Adjourned at 6:17 pm EST

Respectfully Submitted:



Drew M. Thawley, CEO



Jonathan Burns, Grand Secretary

MEMORANDUM



DATE: June 30, 2005

TO: Grand Council

FROM: Drew Thawley

RE: CEO Report for July 5, 2005 Grand Council Conference Call

THE FISCAL YEAR CONCLUDES TODAY! That's essentially one full year under my belt; a year that has been full of fun, challenge and reward for me personally. In looking at our preliminary fiscal year metrics and taking in all of the planning and groundwork achieved during recent months, it has been a successful year for the Fraternity as well. Of course, there is more to do than has already been completed.

If you have the opportunity to thank any of my staff, please do so. It has been largely their hard work that has kept the organization plowing forward while enabling me to focus on strategic changes. Of special note, Dan Duncan has proven to be an exception "right hand man". Theresa Weaver is quickly becoming rooted as a very special part of our staff family. Of course, Mike Post, Will Lasher and Steve Latour are all living up to the challenges and are certainly among the best that any fraternity, let alone the Old Gal, has to offer.

Some highlights as I look in the rearview mirror for a moment at what the staff and Council have achieved...

- Managed through the difficult loss of Ed Lenane's professional services.
- Managed the reclassing of non-accrued liabilities into the previous two fiscal years, and had cash on hand to meet unexpected expense.
- Almost two full generations of undergraduates has now been able to attend the Ralph F. Burns Leadership Institute.
- Started IRA contributions for all staff members.
- Retained all staff since December and into the 2005-06 year.
- Participation in EBI and AlcoholEdu was up across the undergraduate population.
- FTY / FND relations improved dramatically.
- Rolled out new Liability Insurance Premium billing process.
- Scholarship applications for the fall of 2005 up from under 10 to over 120.
- Grew reserves and will end year with substantial cash on hand.
- Operated under budget for all granted programs and nearly all budgeted items.
- Strategic Vision document nearing completion.
- Strategic Services Plan developed to meet needs in Strategic Vision document.
- Our Five Values (here to for known as the Five Virtues) are public! We are now able to make curriculums and marketing materials congruent with Ritual.

FINANCE

We will underutilize the ~\$323,000 grant funds by ~\$50,000. This left over money (or a part thereof) will be requested in a Supplemental Grant to meet increased scholarship need in 2005-06. Preliminary numbers give us an increased net asset of ~90,000 and ~45,000 cash position at end of Fiscal Year.

Total Fee & Due Debt as of June 30, 2005 = \$291,051

June 2, 2005 = \$312,994

April 28, 2005 = \$336,173

April 1, 2005 = \$340,130

June 30, 2004 = \$283,632

Old Fee & Due Debt as of June 30, 2005 = \$118,485 or 40% of total

June 2, 2005 = \$121,949 or 39% of total

April 28, 2005 = \$162,132 or 48% of total

April 1, 2005 = \$127,939 or 38% of total

June 30, 2004 = \$119,537 or 42% of total

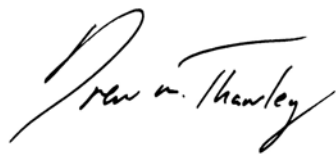
GROWTH

Bios are over 11.4% higher than last June 30, 2004 at 920 received. Baldwin Wallace has surfaced as a potential 2005 or 2006 expansion opportunity. We are in the middle of research and positioning to see how viable this opportunity may become.

SCHOLARSHIP

We have over 120 applications for scholarships and ample nominations for all awards. I have submitted a letter of intent to Ted indicating my intent to ask for a Supplemental Grant to satisfy increased need in this area.

Respectfully submitted.

A handwritten signature in cursive script, reading "Drew W. Hawley". The signature is written in black ink and is positioned below the "Respectfully submitted." text.

MINUTES of the GRAND COUNCIL CONFERENCE CALL
August 2, 2005

Call to Order: 5:31 pm EDT

Roll Call: Mark Still, Grand Senior President; Scott Grissom, Grand Junior President; Jeff Hoffman, Grand Treasurer; Rich Ritter, Grand Marshal; Jonathan Burns, Grand Secretary; Mike Young, Grand Councilor; John Tilden, Grand Councilor; Bob Kutz, Grand Historian; Chris Musbach, Grand Councilor; and Matt Maurer, Grand Councilor.

Absent: Nick Rexing, Grand Councilor.

Guests: Drew Thawley, CEO.

Reports:

GSP Report by Still:

- Still presented the Vision Document to the Foundation's Board of Directors during their July meeting.
- Document was very well received by Foundation Board of Directors.
- Thawley is now responsible for completing the implementation and measurement plans.

CEO Report:

- Council reviewed Thawley's advanced report. Attached.

Old Business:

Motion to approve July 5, 2005 Meeting Minutes made by Burns. Seconded by Tilden. Approved unanimously.

Discussion was entertained by Still on the Online Chat plans for the September 22. Tilden reported recent progress made on both the design, the technical requirements and the logistics of rolling out the Chat to members. He reported that the cost should remain under \$250; Thawley said that \$250 is reasonable and will be supported by budget.

Motion to use Parotchat as a one-time contracted host company for the September 22 Online Chat to be hosted by the Grand Council and not to exceed \$250 made by Tilden. Seconded by Young. Approved unanimously.

Motion to approve Vision 4.0v document as new set of Ends (Policy 1.0) to be reported on during the 2005-06 academic year made by Hoffman. Seconded by Ritter. Approved unanimously.

New Business:

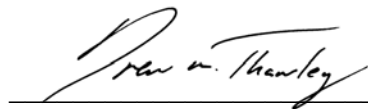
Grissom reported on recent progress with the Awards Committee. Recipients were listed. Grissom noted that special arrangements were being made to present awards to recipients in a timely and appropriate manner. Thawley commented that recognition will receive more attention moving forward, beginning with this class of recipients.

The Council agreed to set the next Grand Council meeting for September 17-18, 2005 at Fraternity Headquarters.

6:05 PM Thawley left conference call. Still conducted an Executive Session. After discussion, the Council unanimously approved a 15% increase in CEO's salary.

Meeting adjourned at 6:15 PM.

Respectfully Submitted:


Drew M. Thawley, CEO


Jonathan Burns, Grand Secretary

MEMORANDUM



DATE: July 27, 2005

TO: Grand Council

FROM: Drew Thawley

RE: CEO Report for August 2, 2005 Grand Council Conference Call

As I stated in my recent presentation to the Foundation's Board of Directors, 2004-05 was about being fiscally responsible, identifying the services that we provide from the office and developing a timely and comprehensive vision for the Fraternity. 2005-06 will be about chapter growth, developing an implementation plan and beginning to execute against that implementation plan.

To be successful it will be important that everyone from staff to Grand Councilors to volunteers is pulling the proverbial line. In due time, we will have talking points, some speaking engagements, chapter interactions and many other opportunities available to promote the organization's vision.

GRANT & FOUNDATION

We ended the year with a \$43,973 under-run on the Grant. This is out of the \$323,000 Grant AND supplemental Grant from the 2004-05 year. I have requested from the Foundation a Supplemental Grant in the amount of \$42,500 which will be allocated as follows. \$30,000 to scholarships and \$12,500 to regional Greek leadership programs. I have attached the Supplemental Grant Request for your review.

Bill Christ is the new Chairman of the Educational Foundation. His address is: 3189 Tunnelhill Rd., Lebanon, PA 17046-2653. I am sure he and his wife, Carol, would welcome your letter of congratulations.

Alan Breedlove's wife is expecting again (I believe this is child #5). As such, Alan has resigned his position on the Board, but will remain chairman of the Investments Committee until someone else is identified.

COMMUNICATIONS

We have fully engaged Denise Dubose from the Hoffman Agency. The agency has begun work on the October issue of the Tomahawk and they have taken over publication of the Brotherhood Bulletin, Leaders' Circle and Advisor Update. They have also started work on our new branding initiative.

I expect that some of the publications will not have the same level of content at first, but we will work aggressively to make the transition smooth and effective.

ROB INGRAM

I hope everyone saw my email regarding Rob Ingram, the alum from Oregon State who distributed many mail packets. I have received many positive emails in return, and Rick Dexter has spoken to Rob live. I will be attending an Oregon State alumni event on October 1, followed by a trip to Seattle to visit with our Mu brothers.

STAFF & OFFICE

By the time of our call, I will have conducted Annual Reviews for all of the staff except Will Lasher, Expansion Director. His will be conducted during the week of our call.

The database project is moving forward; I expect to have full proposals by mid October.

FINANCE

The auditors were here all last week and ended their work today. We are on track to receive final audited financials before September 1.

We have adjusted the timing at which an open account is sent to the collections agency. All accounts open past 8 months (which are likely in the range of 4-6 months past the initiation date) will be given a collections notice at 8 months and then sent to collections at 9 months. We will maintain our Old Debt definition as any account past 12 months.

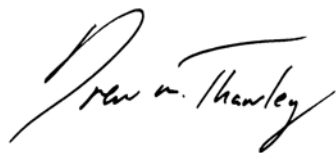
This step turns up the heat earlier and I expect will reduce the amount outstanding debt that makes it to our Old Debt category.

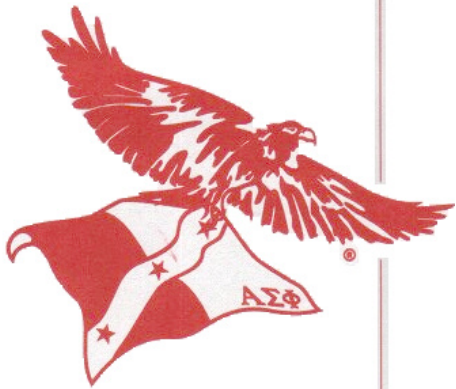
This shift is minor and is not intended as a complete solution. I am working with Dan Duncan to over-haul the billing and debt collection process as a whole, but am not ready to make significant changes just yet.

SCHOLARSHIP

The Scholarship Committee is chaired by Mark Williams, and we have assigned a Selection Committee to help narrow down the candidate pool, chaired by Larry Grimes.

Respectfully submitted.

A handwritten signature in black ink, appearing to read "Dan M. Hawley". The signature is fluid and cursive, with a large initial "D" and "H".



ALPHA SIGMA PHI
FRATERNITY
NATIONAL
HEADQUARTERS

710 Adams Street
Carmel, Indiana
46032

(317) 843-1911
Fax (317) 843-2966

e-mail-hq@alphasigmaphi.org

July 27, 2005

Board of Directors
Alpha Sigma Phi Educational Foundation

Foundation Board Members:

In view of the \$43,973 under-run on the 2004-05 Grant, Alpha Sigma Phi Fraternity, Inc. seeks supplemental grants totaling \$42,500 from the Alpha Sigma Phi Educational Foundation for the 2005-06 grant period.

The intention in requesting funds from last year's under-run is to meet the dramatic increase in academic and needs based scholarship applications and support the educational purposes of independently run Greek Leadership Conferences in four regions throughout the country.

The request for academic and needs based scholarships is consistent with part of the Foundation's mission: "The establishment of scholarships, scholarship incentives, grants and awards for individuals as well as chapters..."

By supporting the Greek Leadership Conferences, the Fraternity and Educational Foundation will be positively impacting the leadership and educational development of hundreds of undergraduates who are not members of Alpha Sigma Phi Fraternity.

Thank you for considering our request. I look forward to hearing from you.

Sincerely,

Drew M. Thawley
President and CEO

cc: Grand Council
encl.

2005-06 Supplemental Request

Academic & Needs Based Scholarships	\$30,000
Greek Leadership Educational Conferences	\$12,500
<i>Total Available</i>	<i>\$ 43,973.15</i>
Total Requested	\$ 42,500

Alpha Sigma Phi Educational Foundation
Supplemental Grant Application

Project Name: **Academic & Needs Based Scholarships**

Name of Applicant Organization: Alpha Sigma Phi Fraternity, Inc.
Name of Contact Person: Drew M. Thawley, President and CEO
Address: 710 Adams Street, Carmel, IN 46032
Telephone / fax: 317-843-1911/317-843-2966
Email: drew@alphasigmaphi.org

PROJECT SCOPE: Reward and support qualified members for academic achievement and offer assistance to those with need for tuition assistance.

APPROACH: This grant will fund promotion and distribution of Kleinoeder Scholarships, grants in aid, National Scholar of the Year, Friends of Rho, Friends of Alpha Gamma, and programs supporting scholarship. Applications for these scholarships are open to any member in good standing and the Kleinoeder Scholarship is focused on members entering graduate school.

PERIOD COVERED BY GRANT REQUEST: August 2005 through June 2006

AMOUNT OF GRANT FUNDS REQUESTED: \$30,000

SPECIFIC EDUCATIONAL NEEDS ADDRESSED/STUDENTS SERVED:

This program assists us in our mission of fostering education and promoting high scholarship within the membership.

EXPECTED OUTCOMES:

Recognition of qualified members that have achieved academic success and/or proven financial need.

We also expect to support scholarship at the chapter level by reintroducing the chapter based scholarships.

COSTS:

Scholarships (Kleinoeder, Friends of AGU, Friends of Rho, Grants in Aid, National Scholar of the Year, etc.)	\$24,000
Chapter based scholarship programs	\$6,000
Total:	\$30,000

The above is an example distribution of the requested \$30,000. Some categories may actually be higher or lower than proposed. Total actual requested funds will not exceed \$30,000.

Alpha Sigma Phi Educational Foundation

Supplemental Grant Application

Project Name: Regional Greek Leadership Educational Programming

Name of Applicant Organization: Alpha Sigma Phi Fraternity, Inc.
Name of Contact Person: Drew M. Thawley, President and CEO
Address: 710 Adams Street, Carmel, IN 46032
Telephone / fax: 317-843-1911/317-843-2966
Email: drew@alphasigmaphi.org

PROJECT SCOPE: Provide sponsorship for two keynote speakers, one educational & leadership values institute, one career development program and up to 21 scholarships to four regional undergraduate leadership programs.

APPROACH: By sponsoring regional leadership programs and scholarships that target all undergraduate Greek leaders across the country, Alpha Sigma Phi is able to provide significant assistance to the broader leadership and educational community. It is possible, but very unlikely, that members of Alpha Sigma Phi Fraternity will receive scholarships. It is possible and likely that members of Alpha Sigma Phi Fraternity will attend the programs and participate in the leadership sessions.

PERIOD COVERED BY GRANT REQUEST: November 2005 through April 2006

AMOUNT OF GRANT FUNDS REQUESTED: \$12,500

SPECIFIC EDUCATIONAL NEEDS ADDRESSED/STUDENTS SERVED:

The speakers and sessions funded through this grant will address the education of, and use of, leadership skills and the promotion of leadership values such as integrity, character, honesty and intellect. The participants range from 750 to 2500 undergraduate students, male and female, who hold leadership positions on their respective campuses.

The scholarships funded through this grant will assist traditionally Latino and African American Greek leaders, male and female, to fulfill their registration fees to each respective educational program.

EXPECTED OUTCOMES: Attendees to one of the four regional programs develop:

- Application of leadership values such as integrity, character, honesty and intellect
- Succession planning
- Organizational and personal leadership abilities and skills
- Accountability to educational and leadership goals

COSTS:	WRGA* Keynote Leadership Speaker	\$2,500
	WRGA* Special Needs Scholarships	\$1,000
	MGCA* Keynote Leadership Speaker	\$2,500
	MGCA* Special Needs Scholarships	\$1,000
	SEIFC* Educational Development Track	\$1,500
	SEIFC* Special Needs Scholarships	\$1,100
	NGLA* Leadership Values Institute	\$1,800
	NGLA* Special Needs Scholarships	<u>\$1,100</u>
	Total	\$12,500

The above costs are estimates. We will not request to draw more than \$12,500.

* WRGA = Western Region Greek Association, March 30-April 2, 2006 / San Francisco, CA

* MGCA = Mid-America Greek Council Association, February 16-19, 2006 / Chicago, IL

* SEIFC = Southeastern Interfraternity Conference, February 16-19, 2006 / Atlanta, GA

* NGLA = Northeast Greek Leadership Association, March, 2006 / Philadelphia, PA

MINUTES of the GRAND COUNCIL MEETING
Ralph F. Burns Fraternity Headquarters, Carmel, IN
September 17, 2005

Call to Order: 8:04 AM EST

Roll Call: Mark Still, Grand Senior President; Scott Grissom, Grand Junior President (via phone); Jeff Hoffman, Grand Treasurer; Rich Ritter, Grand Marshal; Jonathan Burns, Grand Secretary; Mike Young, Grand Councilor; John Tilden, Grand Councilor; Bob Kutz, Grand Historian; Chris Musbach, Grand Councilor; and Matt Maurer, Grand Councilor.

Absent: Robert Kutz, Grand Historian.

Guests: Matt Hittle, Appointed Grand Councilor; Perry Opel, Appointed Grand Councilor; Drew Thawley, CEO; Dan Duncan, Assistant VP of Finance.

Reports:

CEO Report:

- Council reviewed Thawley's advanced report. Attached.

Old Business:

Motion to approve August 2, 2005 Conference Call Minutes made by Hoffman.
Seconded by Young. Approved unanimously.

Motion to approve recommendation of the Awards Committee, chaired by Scott Grissom, made by Grissom. Seconded by Tilden. Approved unanimously.

Tilden requested that the meeting relocate to the basement of the building to receive an update and demonstration on the upcoming October 17 online Grand Council chat. It was decided that following the October 4 Conference Call, an online demo would be conducted by Tilden and participated in by all Councilors and guests on that call.

New Business:

Thawley and Still reviewed Monitoring Reports Monitoring Reports 2.1, 2.2, 2.3, 2.6, 2.7, 2.8, 2.9, 3.0, 3.1, 3.2, 3.3, 3.4, 3.8, 4.0, 4.2, 4.3, 4.4. These Reports were distributed in advance and questions were fielded by Thawley and Still before a motion was called.

Motion to approve Monitoring Reports with noted edits made by Grissom.
Seconded by Maurer. Approved unanimously.

With this motion passed, all monitoring reports that were a part of the governance policy book for the 2004-05 year were formally submitted and approved by the Grand Council.

Still introduced alterations to Policy 3.8 COST OF GOVERNANCE. The changes establish new costs associated with governance as well as limiting the scope of Policy 3.8 / 2 C. and adding a Policy 3.8 / 2 D (below).

Policy 3.8 / 2

Costs will be prudently incurred, though not at the expense of endangering the development and maintenance of superior capability.

- A. Up to \$3,000_____ in fiscal year ____2006__ for training, including attendance at conferences and workshops.
- B. Up to \$9,000_____ in fiscal year __2006__ for audit and other third party monitoring of organizational performance.
- C. Up to \$5,000_____ in fiscal year ____2006__ for surveys, focus groups, and opinion analyses.
- D. Up to \$9,000_____ in fiscal year ____2006__ for meeting costs.

Motion to approve changes to Policy 3.8 as proposed made by Burns. Seconded by Hoffman. Approved unanimously.

A staff memo (attached) dated May 5, 2005 was introduced to New Business requesting that the Grand Council support the creation of two new recognitions that will assist in the Fraternity's efforts to fulfill the Strategic Vision. It was noted by Thawley that the Fraternity did not currently have a mechanism to properly recognize chapter excellence in the area of ritual and that this Citation and Award will better enable proper recognition.

Motion to approve the creation of the Ritual Exemplification Citation and Louis Manigault Ritual Award as proposed by staff made by Ritter. Seconded by Musbach. Approved unanimously.

A staff memo dated September 17, 2005 was introduced to New Business requesting that the Grand Council approve the following GCA positions. John Chaney and Thomas Hinkley as GCA of Gamma Chi and Shawn Smith as GCA of Upsilon Colony.

Motion to approve GCA candidates as proposed by staff made by Young. Seconded by Grissom. Approved unanimously.

Motion to approve recommendation of the Scholarship Committee, chaired by Mark Williams, made by Hoffman. Seconded by Young. Approved unanimously.

Discussion was entertained by Still and facilitated by Ritter regarding the use of insignia agreement between the Fraternity and the Foundation. It was determined

that a formal agreement be crafted after Still had the opportunity to discuss the idea with Bill Christ, Chairman of the Educational Foundation.

Motion to continue discussions between Still and Christ regarding the use of trademarked insignia and marks made by Rexing. Seconded by Tilden. Passed unanimously.

A staff memo (attached) dated September 1, 2005 was introduced to New Business requesting that the Grand Council approve the staff's recommendations for the Accreditation Program.

Motion to approve Accreditation Program results made by Young. Seconded by Musbach. Passed unanimously.

Meeting broke for lunch at 12:44PM and resumed at 1:35PM

Young introduced a proposed Monitoring report Schedule for the 2005-06 year.

Winter (February) Meeting

1.1 A, 1.1 B, 1.1 E, 2.1, 2.2, 2.5, 2.7, 2.9, 3.0, 3.1, 3.2, 3.3, 3.4, 3.8

Summer Meeting

1.1 H, 2.1, 2.2, 2.3, 2.4 (budget), 2.5, 2.6, 2.7, 2.8, 2.9, 4.0, 4.2, 4.3, 4.4

Fall Meeting

1.1 C, 1.1 D, 1.1 F, 1.1 G, 2.1, 2.2, 2.3, 2.4 (audit), 2.5, 2.7

Motion to approve Board Work Plan as proposed by Young made by Grissom. Seconded by Hoffman. Passed unanimously.

Still asked for discussion regarding the elimination of the Substance Free Policy as detailed in the CEO Report (attached).

Motion to suspend the Substance Free Policy made by Musbach. Seconded by Maurer. A roll call vote passed the motion with one "Nae", one "Abstain" and seven "Yea" votes.

A presentation on the Fraternity's budgeting process and FY 2004-05 Audit was given by Hoffman and Duncan. It was noted that Thawley is to include details of the Omicron Fund in any Policy 2.5 monitoring reports and that Thawley was to determine what back payments are due to Mrs. Ralph Burns in light of the recently uncovered details regarding her pension.

Still entertained discussion about the 2005-06 Grand Council meeting times. It was determined that the Council would meet next in Naples, FL in conjunction with the Foundation Board Meeting. May 20th was identified as the "summer" meeting time. Three meetings will be held in 2005-06.

Still entertained discussion on the Grand Chapter committee structure. The following was determined:

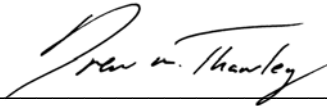
1. Ritual - Ritter
2. Undergraduate Operations - Young
3. Nominations - Kutz
4. Finance - Hoffman
5. Constitution & Bylaws - Grissom
6. Credentials, Resolutions & Law - Burns
7. Alumni Operations - Tilden

Still charged the committee Council representatives to have firm thoughts on what issues or agenda items will be addressed during their committee's time at Grand Chapter. It was broadly recognized that many of the above committee will need to begin work around January. Still requested each Councilor to have a status report ready for April 15, 2006.

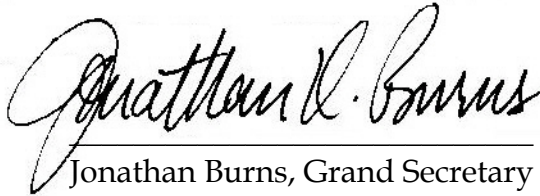
The Council agreed to set the next Grand Council Conference Call for October 4, 2005.

Motion to adjourn made by Grissom. Seconded by Tilden. Passed unanimously at 5:07PM

Respectfully Submitted:



Drew M. Thawley, CEO



Jonathan Burns, Grand Secretary

MEMORANDUM

CONFIDENTIAL

DATE: September 8, 2005

TO: Grand Council
Grand Historian

FROM: Drew Thawley

RE: CEO Report for September 17, 2005 Grand Council Meeting

Once again, it is my honor to host you at the Fraternity's national headquarters facility. As always, please know that your donation of time, talent and treasure are greatly appreciated and valuable to Alpha Sigma Phi Fraternity!

My CEO Report is particularly long and is indicative of the volume of activity occurring within our fine organization today.

HURRICANE KATRINA

As brothers we are impacted because we have alumni and undergraduates' families in the impact zone. Based on our fraternal values, we are responsible for acting. Here are some details:

1. Alpha Sigs should be supporting the efforts of established support networks such as the Red Cross. On August 31, I placed an article on the front page of the website suggesting just that.
2. On September 7, I distributed an email to all HSPs and GCAs suggesting that they support by giving money to the Red Cross or by donating blood.
3. The office is planning to receive funds that alumni would like to donate directly to Alpha Sigs who are in need. I made mention of this in the website article and in my mass email.
4. A few chapters have specific campaigns underway, but the target has typically been their campus community.
5. I contacted CCI to see if they currently have, or can foresee, any needs. They do not at this time and do not expect to in the future.
6. I then approached Murray State chapter with the idea of orchestrating a series of Habitat trips during spring breaks. I believe one of our greatest assets to be manpower and enthusiasm. As we look at the longer term needs, the Habitat idea is a good outlet for our assets and a good use of our efforts. Murray State has been receptive and we are in discussions.

GRANT & FOUNDATION

The Supplemental Grant in the amount of \$42,500 is approved as of Thursday, September 8. \$30,000 to scholarships and \$12,500 to regional Greek leadership programs.

Phoenix Campaign will be resurrected. I have suggested that one option with this program is to develop chapter endowment funds into which each chapter's undergraduates could contribute. I see this as satisfying the need to develop good giving patterns AND start to accumulate some funds for many of our younger chapters.

CHAPTERS OF CONCERN

With the new year, I'd like to start highlighting some struggling chapters. Unlike last year, I believe we will be closing some chapters this year. The reason for the closing will certainly be financial situations, but attrition may be another issue. We do not currently have any chapters that concern me (more than any other) in the area of Risk Management other than Barton and Longwood.

University of Southern Indiana - Financial/grades/size/alumni involvement

University of Rio Grande - Financial/size/alumni involvement

University of Cal. Berkeley - Size/compliance/university relationship

Longwood College - Compliance/alumni involvement/university relationship

Barton College - Financial/size/compliance/university relationship/alumni involvement

American University - Financial/size/university relationship/alumni involvement

STRATEGIC VISION: MEASUREMENT & IMPLEMENTATION

As you know, the Strategic Vision will only be a reality if solid implementation and measurement plans are developed and followed. During our meeting, I will share a rough draft of the measurement portion and a sketch of the implementation portion of this document with you.

Some of the key implementation components are already in play. The most obvious of which is our retooling of the Burns Institute curriculum and shift away from the CLC chapter services model to a higher caliber staff. Our staff lineup is as follows.

Assistant VP of Finance – Dan Duncan.

Chapter Services

Recognition

Archives & Ritual Management

Chapter/Fraternity Archives, Ritual for Life

Communications

Communications/Vendor Management

Fraternity Operations

Fraternity Operations, Insurance, Employees

Grand Council

Grand Chapter (serve as Director of Grand Chapter & Leadership Conference)

Chapter Services Director – Mike Post

Chapter Services

Chapter Services, Ritual, Chapter Councils (in conjunction with Dir. of Volunteer & Leadership Initiatives)

Expansion Director – Will Lasher

Fraternity Development

Fraternity Expansion

Director of Volunteers & Leadership Initiatives – Steve Latour

Chapter Services

Chapter Councils

Volunteer and Leadership Initiatives

Alumni Associations, Housing Corporations, Member Services, Parent Relations

Communications

Partnership Manager

Finally, I respectfully ask that the Grand Council entertain approval of a new award (The Louis Manigault Ritual Award) and citation (The Ritual Exemplification Citation) that will better enable us to both measure and recognize chapter performance in the area of Ritual Values. Details on these two recognitions will be distributed during our meeting.

THE EXPLORATION OF AN ALLIANCE WITH DELTA SIGMA PHI

I am exploring opportunities to create a business alliance with $\Delta\Sigma\Phi$. This is an organization that shares our basic values, has a purpose extremely similar to ours, and is looking to realize efficiencies by teaming with another organization in operational areas. They are well regarded in the fraternity world.

This business alliance could benefit us in the following ways (not an exhaustive list):

1. Share accounting resources.
2. Overlap in operational programming (centralized training of officers or volunteers). This could increase quality of programming and reduce expense.
3. Office space. $\Delta\Sigma\Phi$ could reside next door and either pay the Foundation rent, or we could purchase the space and lease it so $\Delta\Sigma\Phi$ for breakeven including expenses. Share board room/ kitchen.
4. Shared communications development expense. i.e. website hosting and development, etc.
5. Shared in-office database management and or data storage expense.
6. If a formal entity is formed, group purchase of health insurance and other employee benefits.
7. Shared phone system/copier / office utilities expense.

Please see below for clear definitions of a business alliance (in my mind and that of $\Delta\Sigma\Phi$) as opposed to other opportunities.

In the last six years, the Grand Council has entertained the prospect of a “merger”. Considering the groups we were talking to, what we were really talking about was an acquisition of another group. In my view, we approached these conversations with the perception of strength, but in reality, our purposes were to create strength from a position of weakness. We saw an acquisition as a quick route to more chapters and in turn, more revenue to free up the operating budget.

By exploring a business alliance with $\Delta\Sigma\Phi$, I am not proposing that we ignore acquisition opportunities, but rather invest in an alternative that promotes both organizations while contributing to our ability to deliver services to our members in as efficient a way as possible.

My conversations with $\Delta\Sigma\Phi$ are introductory, but with our conversation on the 17th, both group's boards will be aware of the opportunity which will give Scott Wiley (Exec of $\Delta\Sigma\Phi$) and me the chance to move forward with mapping out where efficiencies can be gained and at what cost or savings. Unless there is significant upside, both of us will drop the conversation.

1. **Business Partnership**—Combine certain programs, services, software, methods/ techniques, etc., for the mutual benefit and advancement of each organization.
2. **Business Alliance**—Elements of a partnership plus the bringing together of certain facilities, administrative staff, services/program staff, management staff, etc. A new name could be created for the alliance itself, but the individual identities of the two organizations remain intact.
3. **Organizational Merger**—A new legal entity is created—a “combination of equals” (e.g. Burlington Northern and Santa Fe). Generally, one entity is blended into the other, but the appearance of “equals” is maintained. The merged organization is set up to reduce duplicity and redundancy. The management and operations of the merged organization mesh the strengths of both and strive to eliminate the weaknesses. Efforts are made to share management/governance responsibilities. Financial assets and liabilities are combined. In the for-profit world, there is a purchase price and/or stock swap. In our case, a merger could involve the fraternities, the foundations, or both. Various traditions and philosophies of each organization could survive (a merger could consider leaving both rituals intact). Mergers are generally the most contentious form of a combination because of the implied equality. Opportunities for disagreement, controversy, and resistance are plentiful as a merger is underway.
4. **Organizational Acquisition**—A new legal entity is created. One organization takes over and absorbs the other (e.g. American Airlines and TWA). One name and business/ operating philosophy survives (one ritual survives). Blends the strengths of the two organizations, but uses the acquiring entity's business model to do so. Financial assets and liabilities are combined. With for-profits, there is a purchase price and/or a stock swap. In our situation, both the fraternity and foundation components would be respectively combined.

SUBSTANCE FREE HOUSING

I respectfully ask that the Grand Council entertain the idea of suspending the Substance Free Housing “policy” that was adopted during the 1998 Convention. Further, I would like to place this suspended policy on the agenda for the appropriate committee during the 2006 Grand Chapter.

There are five reasons for this.

1. We have created a stratified chapter set which has made the servicing of chapters an inefficient practice. i.e. when educating HSPs or GCAs at an Academy about proper risk management procedures, there are two different curriculums needed.
2. When working with young chapters to develop a strategy for housing, the conversation quickly ends without resolution. This occurs because the second generation (after the founders graduate) no longer believes in the principle and wishes to establish a living situation outside of normal housing solutions. This limits our success and has been the demise of more than one young chapter.

3. We are not, and cannot, doing what we said we would do. The staff and the structure of the Fraternity is not able to properly support this idea. As a result, we have left these groups under prepared for success.
4. In the Strategic Vision, there is a call for consistent standards. This policy limits our ability to create consistency while simultaneously disallowing advisors and staff to educate student leaders on safe use of alcohol and, instead, mandates that their focus be on "the rules".
5. There is no evidence that clearly supports the substance free movement. Thankfully, Alpha Sigma Phi did not decide to adopt a substance free initiative across the country as a few of our peers have done. Of the eleven national fraternities that adopted an organization-wide substance free policy, all but one have had to establish an exception policy. The Phi Chapter at Iowa State is our only substance free facility that represents that type of chapter living environment that truly contributes to the achievement of our Ends.

11 Chapters have been chartered under this policy. University of Maryland was the last chapter to be chartered without said policy; they have a formal chapter house. Of the 11, 1 closed as soon as it obtained a traditional house, 2 are in jeopardy, 6 have opted for apartment style living, 1 has secured a chapter house and then lost it due to attrition and condition, 1 secured a chapter house but lost it due to disagreement over the substance free policy. Of the 11, zero have initiated any reasonable housing effort. Today, not one of these chapters has a chapter house where a staff member could stay, a positive tradition could be fostered, or meals can be shared.

The policy currently is interpreted as:

Any chapter, colony, or interest group of Alpha Sigma Phi recognized as such after January 1, 1999 shall maintain substance-free physical facilities or property (if any). If the group owns, rents, leases or otherwise occupies or operates a physical structure or property through collective funding, on behalf of Alpha Sigma Phi Fraternity, or if that structure or property could be perceived as an Alpha Sigma Phi structure or property, then that structure or property shall have no alcohol or other drugs on its premises.

COMMUNICATIONS / LINKAGE

Communications Agency

The transition from internally developed publications to externally developed publications is going well. This transition is a process and will take time for the Hoffman Agency to adequately understand the dynamics of our "craft".

The Brotherhood Bulletin, Leaders Circle and Advisor Update have been transitioned. Expansion materials, speaking points and Strategic Vision communications are still in development. The Tomahawk is still on schedule for a 10/3/05 drop date.

Grand Council Chat

Has been rescheduled for October 17, 8PM Eastern. Grand Councilor Tilden will expound upon details during our meeting.

Annual Report

The Annual Report is scheduled to be distributed this month. Grand Secretary Burns has tabled the development to determine if Report, *in its current format and content*, continues to add value in view of the Strategic Vision.

HARGEAR WATCH FUND DRIVE

\$875 has been collected to date; \$500 of which has been earmarked for the in-office display. Thank you to the Councilors and Grand Historian who gave so generously.

DATABASE PROJECT

We have interviewed three companies that have database products to serve our unique Greek needs. IMUS, Blackbaud by Razor's Edge and Patriot. The latter two have demo'd their product on site. Theresa Weaver is driving this research and I expect to have a final candidate by October 1. Ted has removed himself from the active search, with the explanation that all of these products will meet his needs. We are still looking at a total cost of around \$100k according to estimates.

SCHOLARSHIP

The Scholarship Committee, chaired by Mark Williams, has finalized the selection process. Brother Williams elected to further refine the recipient list from the 38 members that were recommended to him by the Scholarship Selection Committee. 23 members will receive a total of \$36,000. At the time of our meeting, all recipients will be notified.

Respectfully submitted.

A handwritten signature in black ink, reading "Drew A. Thawley". The signature is fluid and cursive, with a large initial "D" and a long, sweeping underline.

MEMORANDUM

DATE: September 1, 2005

TO: Members of the Grand Council

FROM: Mike Post, Chapter Services Director

RE: Accreditation Program Results

20 Chapters participated in the Accreditation Program in the 2004-2005 year. To date, 57 chapters have participated since the programs inception in 2002. All chapters currently active have participated in the Accreditation Program.

The Program was developed to be consistent with the Standards of Excellence Matrix and therefore evaluates chapter performance in the areas of:

- | | |
|------------------------------------|--|
| ✱ Scholastic Performance | ✱ Service / Philanthropy |
| ✱ Recruitment / Retention | ✱ Community / Interfraternal Relations |
| ✱ Financial Management | ✱ Chapter Management |
| ✱ Risk Management | ✱ Alumni Relations |
| ✱ Leadership / Chapter Development | ✱ Brotherhood Development |

After each Application was evaluated by Fraternity Staff, one of three outcomes was decided upon to propose to the Grand Council. Three possible outcomes of the Accreditation Program:

- ✱ **Accredited for three years.**
- ✱ **Accredited with exceptions.** For either six months or one year. The Chapter will be accredited for a limited time based on concerns or questions in one or more areas. At the conclusion of the exception period, the Chapter must reapply and could ONLY be accredited or not accredited. *Approval with exceptions can only occur once consecutively.*

- ★ **Not accredited.** At this time the Chapter and alumni are informed why the application was declined and given six months to make any and all improvements necessary. At the conclusion of six months, the Chapter can either be accredited or closed. *Accreditation with exceptions is not an option.*

Please find below Fraternity Staff's recommendation to the Grand Council regarding the twenty participating chapters for the 2004-2005 academic year. As a general rule, if there was more than one significant area of concern, the chapter did not receive an "Accredited" result.

Albright, Epsilon Kappa	1: Accredited
Bentley, Epsilon Mu	1: Accredited
Binghamton, Epsilon Nu	1: Accredited
Buffalo, Gamma Epsilon	1: Accredited
Hartford, Epsilon Lambda	1: Accredited
Marshall, Beta Delta	1: Accredited
McDaniel, Epsilon Xi	1: Accredited
RPI, Beta Psi	1: Accredited
Salisbury, Epsilon Eta	1: Accredited
Slippery Rock, Delta Delta	1: Accredited
Cal. Berkeley, Nu	2: Accredited with Exception
Miami University, Gamma Theta	2: Accredited with Exception
Missouri Western, Epsilon Omicron	2: Accredited with Exception
Western Michigan, Epsilon Iota	2: Accredited with Exception
Central Michigan, Delta Rho (did not submit application)	3. Not Accredited
Indiana, Gamma Chi (did not submit application)	3. Not Accredited
Lawrence Tech, Gamma Psi (did not submit application)	3. Not Accredited
Lindenwood, Epsilon Beta (did not submit application)	3. Not Accredited
Michigan State, Epsilon Alpha (did not submit application)	3. Not Accredited
Rio Grande, Delta Epsilon (did not submit application)	3. Not Accredited

Pending Grand Council approval, each chapter, chapter GCA, and College or University will be notified of their chapter's application result.

Respectfully submitted,

Mike Post, Chapter Services Director



TO: Grand Council

FROM: Drew M. Thawley

DATE: August 24, 2005

RE: **Monitoring Report on Policy 2.1 - TREATMENT OF BROTHERS**
(Monitored Semiannually in the Winter and Summer)

With respect to interactions with brothers or those applying to be brothers, the CEO shall not cause or allow conditions, procedures, or decisions that are unsafe, undignified, or unnecessarily intrusive.

Report: Through interactions with brothers or those applying to be brothers, the CEO has not caused or allowed conditions, procedures, or decisions that are unsafe, undignified or unnecessarily intrusive.

The policies, procedures and guidelines for each chapter or expansion group and its members or associates are consistent and consistently communicated. In the 2004-05 year, as will be continued in the 2005-06 year, the staff has been keenly focused on providing even and consistent services and products regarding all issues ranging from scholarship applications, to the opportunity to attend a leadership program, to the billing procedures.

One of the significant focuses for the last academic year has been to assure that all policies, procedures and guidelines are in writing and are saved (recorded) in an organized manner. We have eliminated all version-control issues by updating old documents and eliminating unneeded files and folders. Policies, procedures and guidelines are reviewed annually to assure employee understanding.

Further, without limiting the scope of the foregoing by this enumeration, the CEO shall not:

1. Use methods of collecting, reviewing, transmitting, or storing brother information that fail to protect against improper access to the material elicited.

Report: Brother/member information is mainly gathered through the completion of a biographical data form. This form can be completed electronically or manually. Once received, the information is stored in a database that is secured behind unique passwords controlled by the Fraternity's CEO.

Member data is backed up nightly on memory tapes and taken offsite in a rotation format. Additionally, each quarter beginning in Q1/2005, a copy of member data is stored in the Safety Deposit Box held at the local branch of Fifth Third Bank. The CEO and Secretary Jonathan Burns are able to access said box. Only a subset of that data is available via our website.

Email is accessible by staff and the Hoffman Agency only and is protected using user passwords. Our staff is able to access email and general Outlook folders from the road via an internet browser and the Remote Access function enabled on our server. Ted Kocher, President & CEO of the Foundation, is the only Fraternity or Foundation employee who has Remote Desktop access to his email and the majority of the server, including the database. The database is not web accessible, although the products we have recently investigated do have web enabled access.

2. Fail to provide appropriate accessibility and privacy in national facilities.

Report: Appropriate accessibility and privacy in national facilities has been provided. Our headquarters building is wheelchair accessible on the first floor; our programs have been held at facilities that have been accessible to all our members. The headquarters is also accessible to our undergraduate members via an 800 phone number, fax machine, general email and other traditional means.

Headquarters has been visited by 106 members who are not on staff or serve on a board since January 1, 2005.

Privacy is also provided to our staff and visitors.

3. Fail to establish with brothers a clear understanding of what services may be expected and what services may not be expected.

Report: We have developed our list of services that we provide chapters and members and we have consistently discussed them in our Brotherhood Bulletin.

*As soon as finances permit, I intend to publish our "Service Offerings" on our website with a navigable layout. The **attached flow chart** details the services provided from the national staff and office. Moving forward, some services will be added and deleted from our offering in order to make our service offerings inline with the new Ends.*

Further, we have updated our Biographical Data Form to include the legal relationship that the national office and the national fraternity has with each member. This document has been assembled using best practices provided through my affiliation with FEA and has been audited by an attorney. The Biographical Data Form is attached.

4. Fail to inform brothers of this policy.

Report: We have informed brothers of their protections through the Brotherhood Bulletin that is sent to all undergraduate members and the Leaders' Circle that is sent to all Prudential Committee members and GCAs that we have an e-mail address for. As of August 27, we had reliable email addresses for 99.2% of undergraduates, 100% of Prudential Committees and 98% of GCAs.

5. Fail to provide a way for brothers to be heard who believe they have not been accorded a reasonable interpretation of their protections under this policy.

Report: Through our communications, we have made members aware that the staff makes interpretations of our policies and that if they feel our interpretations are unreasonable they can bring their dispute to the Council.

6. Fail to provide a means for submitting an appeal to the Grand Council (and/or Grand Chapter) on the grounds that they have not been offered a reasonable interpretation by the CEO under this policy.

Report: All members and chapters are aware that our policies are subject to interpretation and that they have protections and under this policy. Policies are reliably interpreted in each Brotherhood Bulletin (4 since last report) and most Leaders' Circle (4 since last report) publications. Additionally, the Advisor Update (4 since last report) offers policies interpretations.

Each interpretation is followed by a clear statement that explains the brothers' and chapters' protections and right to address Council directly.

7. Fail to establish a mechanism to capture customer or owner complains.

Report: When complaints from members are received they are handled by their initial contact and the CEO is made aware for future follow-up, if needed. I track any complaint, whether it be from an undergraduate, parent or chapter representative, in both hard copy and in email if possible.

Since last report, there have been three fee & due related complaints that have reached me and two complaints related to chapters. Rob Ingram's ongoing issues surrounding Psi Chapter and a recent complaint made to me by some parents of brothers at Lehigh; the local alumni board was responsible for the confusion and I collaboratively worked a solution in that case.

If the chapter's complaint is regarding a decision or action involving the CEO, the GSP is advised and he may follow-up as needed.



TO: Grand Council

FROM: Drew M. Thawley

DATE: August 24, 2005

RE: **Monitoring Report on Policy 2.2 - TREATMENT OF CHAPTERS**
(Monitored Semiannually in the Winter and Summer)

With respect to the treatment of chapters or those applying to be chapters, the CEO may not cause or allow conditions that are unfair or undignified.

Report: We have not caused or allowed conditions that are unfair or undignified for our chapters or those applying to be chapters.

The policies, procedures and guidelines for each chapter or expansion group are consistent and consistently communicated. In the 2004-05 year, as will be continued in the 2005-06 year, the staff has been keenly focused on providing even and consistent services and products regarding all issues ranging from scholarship applications, to the opportunity to attend a leadership program, to the billing procedures.

One of the significant focuses for the last academic year has been to assure that all policies, procedures and guidelines are in writing and are saved (recorded) in an organized manner. We have eliminated all version-control issues by updating old documents and eliminating unneeded files and folders. Policies, procedures and guidelines are reviewed annually to assure employee understanding.

Further, without limiting the scope of the foregoing by this enumeration, the CEO shall not:

1. Fail to establish a clear understanding of what services may be expected and what services may not be expected.

Report: We have developed our list of services that we provide chapters and members and we have consistently discussed them in our Brotherhood Bulletin.

*As soon as finances permit, I intend to publish our "Service Offerings" on our website with a navigable layout. The **attached flow chart** details the services provided from the national staff and office. Moving forward, some services will be added and deleted from our offering in order to make our service offerings inline with the new Ends.*

2. Fail to treat without prejudice chapters or those applying to be chapters or to be reinstated as chapters if they have met the qualifications.

Report: All chapters and those applying to be chapters have been treated without prejudice. Any group that has submitted a Chartering Petition (details and procedures detailed in the

[Expansion Group Resource Guide](#)) to be rechartered or chartered is automatically listed on our legislative agenda.

3. Fail to acquaint chapters or those applying to be chapters with the CEO's interpretation of their protections under this policy.

Report: All members and chapters are aware that our policies are subject to interpretation and that they have protections and under this policy. Policies are reliably interpreted in each Brotherhood Bulletin (4 since last report) and most Leaders' Circle (4 since last report) publications. Additionally, the Advisor Update (4 since last report) offers policies interpretations.

Each interpretation is followed by a clear statement that explains the brothers' and chapters' protections and right to address Council directly.

4. Prevent chapters or those applying to be chapters from grieving to the board when (A) internal grievance procedures have been exhausted and (B) the chapters or those applying to be chapters alleges that board policy has been violated to its detriment.

Report: When chapters or groups applying to be chapters have issues that could be grieved, they are made aware that they can appeal our interpretation and decisions to the Council if they feel that a policy has been violated or have a disagreement with a policy interpretation.

5. Fail to have a mechanism to track complaints from chapters.

Report: When complaints from chapters are received they are handled by their initial contact and the CEO is made aware for future follow-up, if needed (the exception being routine fee & due complaints). I track any complaint, whether it is from an undergraduate, parent or chapter representative, in both hard copy and in email if possible.

Since last report, there have been three fee & due related complaints that have reached me and two complaints related to chapters. Rob Ingram's ongoing issues surrounding Psi Chapter and a recent complaint made to me by some parents of brothers at Lehigh; the local alumni board was responsible for the confusion and I collaboratively worked a solution in that case.

If the chapter's complaint is regarding a decision or action involving the CEO, the GSP is advised and he may follow-up as needed.



TO: Grand Council

FROM: Drew M. Thawley

DATE: August 24, 2005

RE: **Monitoring Report on Policy 2.3 - TREATMENT OF STAFF**
(Monitored Semiannually in the Winter and Fall)

With respect to the treatment of paid staff and volunteers, the CEO may not cause or allow conditions that are unfair, undignified, disorganized, or unclear.

Report: Paid staff and volunteers have been treated in a fair, dignified, organized and clear fashion. In the case where a staff member or volunteer feels to the contrary, they are made aware of their option to appeal to the board.

Further, without limiting the scope of the foregoing by this enumeration, the CEO shall not:

1. Operate without written personnel policies that clarify personnel rules for staff, provide for effective handling of grievances, and protect against wrongful conditions, such as nepotism and grossly preferential treatment for personal reasons.

Report: A policy manual is in place and has been updated. Titled the Employee Handbook, it is distributed to each employee upon being hired and is available for both Fraternity and Foundation staff viewing on our office's main server.

Each Employee signs an acknowledgment form indicating their understanding the Employee Handbook and reflects a staff member's ability to appeal to the board and that all policies are subject to interpretation of the CEO.

2. Discriminate against any staff member for expressing an ethical dissent.

Report: No staff member has been discriminated against for having ethical dissent.

3. Prevent staff from grieving to the board when (A) internal grievance procedures have been exhausted and (B) the employee alleges that board policy has been violated to his or her detriment.

Report: Staff has been made aware of their ability to grieve to the board when internal procedures are exhausted or when they believe a board policy has been violated to their detriment.

4. Fail to acquaint staff with the CEO's interpretation of their protections under this policy.

Report: Staff is aware that all of our policies are open to interpretation and of the CEO's interpretation of this policy. We have a form that each Employee signs indicating their understanding the Employee Handbook and reflects a staff member's ability to appeal to the board and that all policies are subject to interpretation of the CEO.



TO: Grand Council

FROM: Drew Thawley

DATE: August 24, 2005

RE: **Monitoring Report on Policy 2.6 - EMERGENCY CEO SUCCESSION**
(Monitored Annually in the Summer)

In order to protect the board from sudden loss of CEO services, the CEO may have no fewer than one other executive familiar with board and CEO issues and processes and the CEO shall not fail to have a written CEO succession plan with all access codes and keys maintained outside the national office.

Report: We presently have one staff member that would be capable of serving as the interim CEO of the fraternity if the need arises.

I believe the role of an interim CEO is primarily concerned with the operational functions of the organization. The Grand Council and other key volunteers will be able to manage the intricacies of finding my replacement and dealing with the member-relations end of the business. Our volunteers will adequately manage the chapters' operations.

Additionally, an interim CEO should be able to serve in such a capacity for up to one year and at compensation level to be negotiated if the need arises.

Dan Duncan, Assistant VP of Finance, and I have had several conversations about this Emergency Succession Plan. Most importantly, Dan understands the finances, accounting, grant and operations end of the organization that is crucial to a smooth transition should it be necessary.

To position Dan for such a role, I have granted him access to all private or restricted information pertinent to the office or the fraternity. He is aware of the employment status of all employees and is intimately aware of where our assets are located and how to access them.

Finally, due to Dan's proximity to the revenue and expenses, he is not a co-signer on our primary checking or reserve accounts. Grand Secretary Jonathan Burns is a co-signer and will have access to Fifth Third Bank accounts, including our safety deposit box at the local branch should the need arise.



TO: Grand Council

FROM: Drew M. Thawley

DATE: August 24, 2005

RE: **Monitoring Report on Policy 2.7 - ASSET PROTECTION & BUSINESS CONTINUITY**
(Monitored Annually the Fall)

The CEO shall not allow corporate assets to be unprotected, inadequately maintained or unnecessarily risked.

Report: Corporate assets have been adequately protected. Reserve Funds are password protected with singular access. Checking account has just two signers, The physical plant is protected by ADT Security managed by the Fraternity CEO and access keys are uniformly distributed; Grace Cloud maintains key count. Digital files on the general server are protected by unique password and files of a more sensitive nature are maintained in privately accessed server folders. Fraternity CEO serves as administrator for the server and email systems. All computers maintain up to date security software and a qualified fire wall is in place for the general server and database.

Further, without limiting the scope of the foregoing by this enumeration, the CEO shall not:

1. Fail to insure against theft and casualty losses to at fair market value minus the deductible and against liability losses to board members, staff, volunteers and Alpha Sigma Phi itself in an amount greater than the average for comparable organizations.

Report: Proper insurance coverage (D&O, Liability, Crime, etc.) has been secured. D&O coverage is \$3,000,000 with a \$5,000 deductible. From Pg. 5 / Section G of our Insurance Manual...

The International Insurance Program of Alpha Sigma Phi Fraternity offers Directors' & Officers' Coverage to all Undergraduate Chapters and House Corporations. Directors' & Officers' Coverage protects all Directors, Officers, Volunteers and the Entity for claims arising out of the failure or negligence in carrying out your fiduciary duties of diligence, obedience and loyalty to the organization that you serve as a Director and/or Officer. Claims covered under a Directors' & Officers' Liability Contract are claims for financial injury and not bodily injury or property damage of a third party that are insured by the General Liability Coverage of the Fraternity. In addition, the Directors' & Officers' Liability Coverage of the Fraternity provides Employment Practices Liability Coverage that protects the Chapter/House Corporation from claims arising out of allegations of Discrimination, Harassment or Wrongful Termination arising in a employer/employee relationship. These claims are not insured by the General Liability or Workers' Compensation Coverage of the Chapter/House Corporation.

Overview of the coverage is as follows:

Insurance Carrier: RSUI Indemnity Insurance Company

Policy Term:	February 1, 2005 to February 1, 2007
Policy Number:	NHP617774
Limit of Coverage:	\$ 3,000,000 Per Occurrence / \$ 3,000,000 Policy Aggregate
Deductible:	\$ 2,500 Affiliates / \$ 5,000 Co Reimb, Entity & EPL \$ 0 Individual D&O each claim

2. Allow uninsured personnel access to material amounts of funds.

Report: We have a crime insurance policy that covers items like employee theft, forgery/alteration, and various types of fraud. This coverage is for \$500,000 with a \$2,500 deductible.

Background checks (credit check, criminal activity check, MVR check) are not secured for those who have access to funds. I do not deem this necessary.

3. Subject plant and equipment to improper wear and tear or insufficient maintenance.

Report: Plant and equipment are not subjected to improper wear and tear or insufficient maintenance. Staff has served as maintenance provider when needed.

4. Unnecessarily expose the organization, its volunteers, board or staff to claims of liability.

Report: The organization, its volunteers, board or staff have not been unnecessarily exposed to claims of liability.

5. Make any purchase: (a) wherein normally prudent protection has not been given against conflict of interest; (b) of over \$10,000 without having obtained comparative prices and quality; (c) of over \$10,000 without a stringent method of assuring the balance of long term quality and cost.

Report: Purchases in excess of the \$10,000 ceiling have been limited to our blanket liability insurance program, D&O policy, production of our Tomahawk magazine, and legal fees. It should also be noted that the Tomahawk is produced by a current board member, but protections against conflict of interest have been taken.

6. Fail to protect intellectual property, information and files from loss or significant damage.

Report: We do have most of our commonly recognized marks (name, badge, Phoenix, Greek letters, etc) registered and protected. Other electronic information is backed on a tape drive nightly. We are in the process of negotiating a contract for a firm to license our name and marks and monitor their use. We need to actively protect our marks to survive any challenge that could come down the road and this firm also increases the number of approved products available to our members.

With the Board's assistance, I would like to complete this contract by January 1, 2006.

7. Receive, process or disburse funds under controls that are insufficient to meet the board-appointed auditor's standards.

Report: Funds are handled in accordance with generally accepted accounting principles and are subject to our annual external audit.

8. Invest or hold operating capital in insecure instruments, including uninsured checking accounts and bonds of less than AA rating at any time, or in non interest-bearing accounts except where necessary to facilitate ease in operational transactions.

Report: Operating capital is held with a FDIC insured financial institution. We do not hold any bonds at this time. Our Reserve Fund is at approximately \$106,000 of which roughly \$45,000 is invested in two diversified, low risk funds, roughly \$50,000 or which is in a Money Market Account and the rest is in cash.

9. Endanger the organization's public image or credibility, particularly in ways that would hinder its accomplishment of mission.

Report: The organization's public image and credibility have not been endangered to my knowledge or the that of my staff.



TO: Grand Council

FROM: Drew M. Thawley

DATE: August 24, 2005

RE: **Monitoring Report on Policy 2.8 - COMPENSATION AND BENEFITS**
(Monitored Annually in the Fall)

With respect to employment, compensation, and benefits to employees, consultants, contract workers and volunteers, the CEO shall not cause or allow jeopardy to fiscal integrity or public image.

Report: Fiscal integrity nor our public image have been jeopardized with respect to employees compensation and benefits.

Further, without limiting the scope of the foregoing by this enumeration, the CEO shall not:

1. Change his compensation and benefits.

Report: CEO's compensation and benefits have not exceeded what has been approved by the Grand Council.

2. Promise or imply permanent or guaranteed employment.

Report: All employees are reminded that we are an employment at will employer at the time they are hired and at any time when their salary is adjusted.

I maintain application data and informal employment contracts (I am prohibited from having actual employment contracts in the State of Indiana) for each employee that is signed as acknowledgement of understanding and compliance.

3. Establish or change pension benefits so as to cause unpredictable or inequitable situations, including those that:

- A. Incur unfunded liabilities.

Report: No new pension benefits have been entered into. The only person receiving a pension from Alpha Sigma Phi Fraternity, Inc. is Joanna Burns. This pension is part of a non-qualified plan and is a monthly expense for the fraternity. The Educational Foundation has declined to share in this expense.

- B. Provide less than some basic level of benefits to all full time employees though differential benefits to encourage longevity are not prohibited.

Report: A basic level of benefits has been provided to all full time employees, which includes vacation and a competitive insurance package. Of our 5 full time employees, 4 are participating in our health program and 5 participate in our life insurance program.

- C. Allow any employee to lose benefits already accrued from any foregoing plan.

Report: The Simple IRA Plan that was begun in the fall, 2004 is set up such that any employee can access their personal account after leaving staff and can roll-over their IRA if they choose.

Of our 5 full time employees, 4 are participating in our Simple IRA Plan. The Fraternity currently contributes 1% of salary for each participant. Each participant is free to contribute any percentage they choose, but must contribute at least 1% to receive the Fraternity's 1% contribution.

- D. Treat the CEO differently from other key employees.

Report: CEO is treated in a consistent manner as other employees.

- E. May not fail to bring Mrs. Burns's pension to the board annually during her lifetime to review as per written agreement.

Report: Mrs. Burns continues to receive a monthly pension of \$1445 from Fraternity, Inc.

Tom Hinkley and I have never seen a copy of the agreement, but this line item remains essentially "fixed" in our annual budget at \$17,340. With the Board's assistance, I would like to secure a copy of the original agreement by January 1, 2006.

- 4. Adjust compensation unless it is commensurate with documented performance standards and documented performance appraisal.

Report: Compensation is not adjusted without documented performance appraisals or acceptance of new job responsibilities, which will be documented by a "change of position" memo in the file.

All current employees have a written agreement (not a contract) on file that details their compensation package. Each employee also has a complete Job Description that is reviewed quarterly as a benchmark and annually as an annual review. Each full time employee has received an annual review since last report, and each full time employee has received a raise commensurate with their review outcomes.



TO: Grand Council

FROM: Drew Thawley

DATE: August 24, 2005

RE: **Monitoring Report on Policy 2.9 - COMMUNICATION AND SUPPORT TO
THE BOARD** (*Monitored Semiannually in the Summer & Fall*)

The CEO shall not permit the board to be uninformed or unsupported in its work.

Report: The CEO is not aware of instances where the board has not been supported in its work.

Further, without limiting the scope of the foregoing by this enumeration, the CEO shall not:

1. Neglect to submit monitoring data required by the board (see policy on Monitoring CEO Performance) in a timely, accurate and understandable fashion, directly addressing provisions of board policies being monitored.

Report: Monitoring Reports have been submitted in a timely, accurate and understandable fashion.

2. Let the board be unaware of relevant trends, anticipated adverse media coverage, material external and internal changes, particularly changes in the assumptions upon which any board policy has previously been established.

Report: The staff has made the board aware of relevant trends on issues as they are discussed.

3. Fail to advise the board if, in the CEO's opinion, the board is not in compliance with its own policies on Governance Process and Board-CEO Linkage, particularly in the case of board behavior, which is detrimental to the work relationship between the board and the CEO.

Report: To the CEO's knowledge there has been no board behavior that is inconsistent with our policies.

4. Fail to assist to marshal for the board as many staff and external points of view, issues and options as needed for reasonably informed board choices.

Report: When needed, as many staff and external points of view have been solicited.

5. Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and incidental.

Report: Information is presented as concisely as possible.

6. Fail to provide monthly incidental information reports including chapter closures, chapter discipline and unsafe conditions.

Report: We are in the process of closing Psi chapter and there have no chapters placed on Administrative Suspension to date this academic year.

7. Fail to provide a mechanism for official board, officer or committee communications.

Report: When needed, we have facilitated such communication.

8. Fail to deal with the board as a whole except when (a) fulfilling individual requests for information or (b) responding to officers or committees duly charged by the board.

Report: To the CEO's knowledge, we have had no exceptions to this policy.

9. Fail to report in a timely manner an actual or anticipated noncompliance with any policy of the board.

Report: Exceptions or non-compliance has been reported in a timely fashion.

10. Fail to supply for the consent agenda all items delegated to the CEO yet required by law or contract to be board-approved, along with the monitoring assurance pertaining thereto.

Report: Legislative (consent) agendas are presented as needed for each meeting.

TO: Grand Council

FROM: Mark Still

DATE: September 17, 2005



RE: **Monitoring Report on Policy 3.0 - GLOBAL GOVERNANCE COMMITMENT**

The purpose of the Grand Council, as trustees acting on behalf of undergraduate and alumni brothers and chapter as owners, is to see to it that Alpha Sigma Phi (a) achieves appropriate results for appropriate persons at an appropriate cost, and (b) avoids unacceptable actions and situations.

Report: The Grand Council remains committed to the Carver governance model and its basic tenets. Alpha Sigma Phi Fraternity has achieved the following results for the 2004-2005 academic year:

- *Managed through the difficult loss of Ed Lenane's professional services.*
- *Managed the reclassing of non-accrued liabilities into the previous two fiscal years, and had cash on hand to meet unexpected expense.*
- *Almost two full generations of undergraduates have now been able to attend the Ralph F. Burns Leadership Institute.*
- *Started IRA contributions for all staff members.*
- *Retained all staff since December and into the 2005-06 year.*
- *Participation in EBI and AlcoholEdu was up across the undergraduate population.*
- *FTY / FND relations improved dramatically.*
- *Rolled out new Liability Insurance Premium billing process.*
- *Scholarship applications for the fall of 2005 up from under 10 to over 120.*
- *Grew reserves and will end year with substantial cash on hand.*
- *Operated under budget for all granted programs and nearly all budgeted items.*
- *Strategic Vision document nearing completion.*
- *Strategic Services Plan developed to meet needs in Strategic Vision document.*
- *Our Five Values (here to for known as the Five Virtues) are public! We are now able to make curriculums and marketing materials congruent with Ritual.*
- *Increased bios 11.4% year over year*

Mark D. Still

Grand Senior President

TO: Grand Council

FROM: Mark Still

DATE: September 17, 2005



RE: **Monitoring Report on Policy 3.1 – GOVERNING STYLE**

Consistent with our Fraternal values and ethics the Grand Council will govern with an emphasis on (a) outward vision rather than an internal preoccupation, (b) encouragement of diversity in viewpoints, (c) strategic leadership more than administrative detail, (d) clear distinction of Grand Council and chief executive roles, (e) collective rather than individual decisions, (f) future rather than past or present, and (g) proactivity rather than reactivity.

Specifically to the further enumerated points:

1. The Grand Council will cultivate a sense of group responsibility. The Grand Council, not the staff, will be responsible for excellence in governing. The Grand Council will be the initiator of policy, not merely a reactor to staff initiatives. The Grand Council may use the expertise of individual members to enhance the ability of the Grand Council as a body, rather than to substitute the individual judgments for the Grand Council's values.

Report: The Grand Council has cultivated a sense of group responsibility through the collective efforts to craft the 2005-2010 Strategic Plan. This Plan lays out significant changes in focus and direction for the Fraternity, and was developed utilizing the inputs and ideas of all members of the Council as well as key Brothers outside the Council.

2. The Grand Council will direct, control and inspire the organization through the careful establishment of broad written policies reflecting the Grand Council's values and perspectives. The Grand Council's major policy focus will be on the intended long-term impacts outside organizational operations, not on the administrative or programmatic means of attaining those effects.

Report: The Grand Council has adopted a Vision and Strategic Plan to reorient and refocus every aspect of Fraternity operations. This plan extends to 2010 and beyond.

3. The Grand Council will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as compliance with Grand Council policies, attendance, preparation for meetings, policymaking principles, respect of roles, and ensuring the continuance of governance capability.

Report: The Grand Council has not, to date, needed to enforce upon itself any discipline which would apply to matters such as compliance with Grand Council policies, attendance, preparation for meetings, policymaking principles, respect of roles, and ensuring the continuance of governance capability.

4. Continual Grand Council development will include orientation of new Grand Councilors in the Council's governance process and periodic Council discussions of process improvement.

Report: A review of the Carver model was conducted at our September 2004 meeting, orienting new members to our governance structure. Review of established policies and limitations is conducted at each meeting IAW our work plan.

5. The Grand Council will allow no officer, individual or committee of the Grand Council to hinder or be an excuse for not fulfilling its commitments.

Report: The Grand Council has not allowed any officer, individual or committee of the Grand Council to hinder or be an excuse for not fulfilling its commitments.

6. The Grand Council will monitor and discuss the Grand Council's process and performance at each meeting. Self-monitoring will include comparison of Grand Council activity and discipline to policies in the Governance Process and Grand Council-CEO Linkage categories.

Report: The Grand Council has monitored and discussed the Grand Council's process and performance at each meeting. Self-monitoring has include comparison of Grand Council activity and discipline to policies in the Governance Process and Grand Council-CEO Linkage categories.

Mark D. Still

Grand Senior President

TO: Grand Council

FROM: Mark Still

DATE: September 17, 2005



RE: **Monitoring Report on Policy 3.2 – BOARD JOB DESCRIPTION**

Specific job outputs of the Grand Council, as an informed agent of the ownership, are those that ensure appropriate organizational performance. Accordingly:

1. The Grand Council will produce the link between the organization and the ownership

Report: Grand Councilors have participated in several opportunities to provide linkage. These include, but are not limited to acting as facilitators for the Burns program, chapter visits, charterings and chapter social events.

2. The Grand Council will produce written governing policies, which, at the broadest levels, address each category of organizational decisions.

A. Ends: Organizational products, impacts, benefits, outcomes, recipients, and their relative worth (what good for which recipients at what cost).

B. Executive Limitations: Constraints on executive authority, which establish the prudence and ethical boundaries within which all executive activity and decisions must take place.

C. Governance Process: Specifications of how the Grand Council conceives, carries out, and monitors its own task.

D. Grand Council-CEO Linkage: How power is delegated and its proper use monitored; the CEO's role, authority, and accountability.

Report: Written governing policies are in place that address each of the four areas outlined above. Additionally, the Council completed a significant re-work of the Fraternity's ENDS for the planning period 2005 – 2010.

3. The Grand Council will produce assurance of CEO performance (against policies 2A & 2B).

Report: CEO performance was evaluated in July 2005 against all policies and limitations under his control. Performance was deemed to meet expectations.

4. The Grand Council will explore expansion opportunities through merger acquisitions of national fraternities.

Report: We remain open to merger or acquisition opportunities, though none have evolved during this reporting period.

5. The Grand Council will oversee matters of ritual and all associated esoteric aspects of the Fraternity.

Report: The Grand Council has fulfilled its responsibilities to oversee all matters of ritual and associated esoteric aspects of the Fraternity. The Council has elected to promote the greatly expanded use of our ritual values in the conduct of Fraternity programs, products and chapter measurement tools.

Mark D. Still

Grand Senior President

TO: Grand Council

FROM: Mark Still

DATE: September 17, 2005



RE: **Monitoring Report on Policy 3.3 - AGENDA PLANNING**

To accomplish its job products with a governance style consistent with Grand Council policies, the Grand Council will follow an annual agenda which (a) completes a re-exploration of Ends policies annually and (b) continually improves Grand Council performance through Grand Council education and enriched input and deliberation.

1. The cycle will conclude each year on the last day of August so that administrative planning and budgeting can be based on accomplishing a one year segment of the Grand Council's most recent statement of long term Ends.

Report: An annual agenda plan was not used for the 2004-2005 year.

2. The cycle will start with the Grand Council's development of its agenda for the next year.
 - A. Consultations with selected groups in the ownership, or other methods of gaining ownership input will be determined and arranged in the first quarter, to be held during the balance of the year.
 - B. Governance education, and education related to Ends determination, (e.g. presentations by futurists, demographers, advocacy groups, staff, etc.) will be arranged in the first quarter, to be held during the balance of the year.

Report: Ownership input was gathered through notification to Official Family members of our draft vision and mission statements, selective distribution of the draft strategic plan for comment, and two presentations to the Foundation Board of Directors regarding the strategic plan. Governance education was accomplished through a presentation by Caroline Bailey on the Carver model of board governance, and multiple articles and documents from the staff on issues relevant to fraternity and undergraduate life.

3. Throughout the year, the Grand Council will attend to consent agenda items as expeditiously as possible.

Report: Consent agenda items were attended to in an expeditious manner.

4. CEO monitoring will be included on the agenda if monitoring reports have been received since the last Grand Council meeting.

Report: Monitoring reports are presented per the Board Work Task Matrix.

5. CEO remuneration will be decided after a review of monitoring reports received in the last year during the month of June.

Report: CEO remuneration was decided via conference call on 2 August 2005 following CEO performance feedback accomplished on 15 July 2005.

Mark D. Still, Grand Senior President

TO: Grand Council

FROM: Mark Still

DATE: September 17, 2005



RE: **Monitoring Report on Policy 3.4 - THE GRAND SENIOR PRESIDENT'S ROLE**

The Grand Senior President assures the integrity of the Grand Council's process and occasionally represents the Grand Council to outside parties.

Specifically to the further enumerated points:

1. The job result of the Grand Senior President is that the Grand Council behaves consistently with its own rules and those legitimately imposed upon the Grand Chapter.

A. Meeting discussion content will be only those issues which, according to Grand Council policy, clearly belong to the Grand Council to decide, not the CEO.

B. Deliberation will be fair, open, and thorough, but also timely, orderly, and kept to the point.

Report: The Grand Council has behaved consistently with its own rules. Meeting content has been strictly limited to those areas clearly in the Grand Council's purview, not the CEO's. All deliberation is fair and open, with all members having ample opportunity to voice their opinions. At times, this openness has resulted in meeting agendas extending beyond allotted time or conversation straying from the point at hand. This is an improvement area for the 2005-2006 session.

2. The authority of the Grand Senior President consists in making decisions that fall within topics covered by Grand Council policies on Governance Process and Grand Council-CEO Linkage, with the exception of (a) employment or termination of a CEO and (b) where the Grand Council specifically delegates portions of this authority to others. The Grand Senior President is authorized to use any reasonable interpretation of the provisions in these policies.

A. The Grand Senior President is empowered to chair Grand Council meetings with all the commonly accepted power of that position (e.g., ruling, recognizing).

B. The Grand Senior President has no authority to make decisions about policies created by the Grand Council within Ends and Executive Limitations policy areas. Therefore, the Grand Senior President has no authority to supervise or direct the CEO.

- C. The Grand Senior President has represented the Grand Council to outside parties in announcing Grand Council-stated positions and in stating chair decisions and interpretations within the area delegated to him.
- D. The Grand Senior President may delegate this authority, but remains accountable for its use.

Report: I have chaired all meetings IAW accepted rules of parliamentary procedure. At no time have I inappropriately directed the actions of the CEO. I have represented the Council to the Foundation Board of Directors in a manner consistent with the role of the Grand Senior President.

Mark D. Still

Grand Senior President

TO: Grand Council

FROM: Mark Still

DATE: September 17, 2005



RE: **Monitoring Report on Policy 3.8 – COST OF GOVERNANCE**

Because poor governance costs more than learning to govern well, the Grand Council will invest in its governance policy. Accordingly:

1. Grand Council skills, methods, and supports will be sufficient to assure governing with excellence.

- A. Training and retaining will be used liberally to orient new members and candidates for membership, as well as to maintain and increase member skills and understandings.

Report: Councilors were trained on the Carver Model September, 2004.

- B. Outside monitoring assistance will be arranged so that the Grand Council can exercise control over organizational performance. This includes, but is not limited to, fiscal audit.

Report: An outside auditor reviewed organizational performance. Draft audit report dated August 25, 2005 indicates no significant and unusual accounting entries.

- C. Outreach mechanisms will be used as needed to ensure the Grand Council's ability to listen to owner viewpoints and values.

Report: The ability for individual Brothers or Chapters to approach the Grand Council with grievances or inputs are established and published in each electronic communication to the Chapters.

2. Costs will be prudently incurred, though not at the expense of endangering the development and maintenance of superior capability.

- A. Up to \$3,000.00 in fiscal year 2004-05 for training, including attendance at conference and workshops.
- B. Up to \$8,500.00 in fiscal year 2004-05 for audit and other third party monitoring of organizational performance.
- C. Up to \$12,000.00 in fiscal year 2004-05 for surveys, focus groups, opinion analyses, and meeting costs.

Report: Governance cost limits were not exceeded.

Mark D. Still

Grand Senior President

TO: Grand Council

FROM: Mark Still

DATE: September 17, 2005

RE: **Monitoring Report on Policy 4.0 – GLOBAL GOVERNANCE-MANAGEMENT CONNECTION**



The Grand Council's sole official connection to the operational organization, its achievements and conduct will be through a Chief Executive Officer titled President/CEO.

Report: There have been no reported violations to the above policy. Each member of the Grand Council remains committed to the separation of responsibilities between the Council and the CEO.

Mark D. Still

Grand Senior President

TO: Grand Council

FROM: Mark Still

DATE: September 17, 2005



RE: **Monitoring Report on Policy 4.2- ACCOUNTABILITY OF THE CEO**

The CEO is the Grand Council's only link to operational achievement and conduct, so that all authority and accountability of staff, as far as the Grand Council is concerned, is considered the authority and accountability of the CEO. Accordingly:

1. The Grand Council will never give instructions to persons who report directly or indirectly to the CEO.

Report: No report of Grand Council violation of this policy has been noted.

2. The Grand Council will refrain from evaluating, either formally or informally, any staff other than the CEO.

Report: No report of Grand Council violation of this policy has been noted.

3. The Grand Council will view the CEO performance as identical to organizational performance, so that organizational accomplishment of Grand Council stated Ends and avoidance of Grand Council proscribed means will be viewed as successful CEO performance.

Report: The CEO was evaluated in accordance with this policy. A copy of his performance review is on file with the Grand Senior President.

Mark D. Still

Grand Senior President

TO: Grand Council

FROM: Mark Still

DATE: September 17, 2005



RE: **Monitoring Report on Policy 4.3 – DELEGATION TO THE CEO**

The Grand Council will instruct the CEO through written policies that prescribe the organizational Ends to be achieved, and describe organizational situations and actions to be avoided, allowing the CEO to use any reasonable interpretation of these policies.

Accordingly:

1. The Grand Council will develop policies instructing the CEO to achieve certain results, for certain recipients at a specific cost. These policies will be developed systematically from the broadest most general level to more defined levels and will be called Ends policies.
2. The Grand Council will develop policies, which limit the latitude the CEO may exercise in choosing the organizational means. These policies will be developed systematically from the broadest, most general level to more defined levels, and they will be called Executive Limitations policies.
3. As long as the CEO uses *any reasonable interpretation* of the Grand Council's Ends and Executive Limitations policies, the CEO is authorized to establish all further policies, make all decisions, take all actions, establish all practices and develop all activities.
4. The Grand Council may change its Ends and Executive Limitations policies, thereby shifting the boundary between Grand Council and CEO domains. By doing so, the Grand Council changes the latitude of choice given to the CEO. But as long as any particular delegation is in place, the Grand Council will respect and support the CEO's choices.

Report: Ends policies and Executive Limitations have been developed and are the principle tool used to communicate Grand Council expectations to the CEO. The CEO has been afforded the latitude to interpret these policies and develop any additional policies necessary to execute against said Grand Council guidance. The Grand Council has not violated the respect or support of any CEO interpretations of policy, nor attempted to change such guidance outside the documented policies and limitations contained in the policy statements.

Mark D. Still

Grand Senior President

TO: Grand Council

FROM: Mark Still

DATE: September 17, 2005



RE: **Monitoring Report on Policy 4.4 - MONITORING CEO PERFORMANCE**

Systematic and rigorous monitoring of CEO job performance will be solely against the only expected CEO job outputs: organizational accomplishment of Grand Council policies on Ends and organizational operation within the boundaries established in Grand Council policies on Executive Limitations. Accordingly:

1. Monitoring is simply to determine the degree to which Grand Council policies are being met. Data, which do not do this, will not be considered to be monitoring data.
2. The Grand Council will acquire monitoring data by one or more of three methods: (a) by internal report in which the CEO discloses compliance information to the Grand Council, (b) by external report, in which an external, disinterested third party selected by the Grand Council assesses compliance with Grand Council policies, and (c) by direct Grand Council inspection, in which a designated member or members of the Grand Council assess compliance with the appropriate policy criteria.
3. In every case, the standard for compliance has been *any reasonable* CEO interpretation of the Grand Council policy being monitored.
4. All policies, which instruct the CEO, will be monitored at a frequency and by a method chosen by the Grand Council. The Grand Council can monitor any policy at any time by any method, but will ordinarily depend on a routine schedule. Accordingly, reports will be rendered in accordance with the following schedule

<u>Policy</u>	<u>Method</u>	<u>Frequency</u>	<u>Meeting</u>
Global Executive Constraint	Direct	Annually	Winter
Treatment of Brothers	Internal	Semi-Annually	Fall/Spring
Treatment of Chapters	Internal	Semi-Annually	Fall/Spring
Treatment of Staff	Internal	Semi-Annually	Winter/Fall
Financial Planning/Budgeting	Internal	Annually	Fall
Financial Condition & Activities	Internal	Quarterly	Fall/Winter/Spring

	External	Annually	Fall
Emergency CEO Succession	Internal	Annually	Spring
Asset Protection	Internal	Annually	Fall
	External	Annually	Fall
Compensation & Benefits	Internal	Annually	Fall
Communication & Support	Internal	Semi-Annually	Fall/Spring
Ends	Internal	Annually	Fall

Report: Monitoring reports have been completed and submitted by the CEO for each of the policy areas outlined above. External reporting has been conducted as indicated by Ness & Company, independent auditors. The CEO's annual performance review was constructed using only monitoring data provided by the CEO against current policies and ENDS.

Mark D. Still

Grand Senior President

MINUTES of the GRAND COUNCIL CONFERENCE CALL
October 4, 2005

Call to Order: 5:33 pm EDT

Roll Call: Mark Still, Grand Senior President; Scott Grissom, Grand Junior President; Jeff Hoffman, Grand Treasurer (joined 5:36 pm) ; Rich Ritter, Grand Marshal (joined 5:43 pm) ; Jonathan Burns, Grand Secretary; John Tilden, Grand Councilor; Chris Musbach, Grand Councilor (joined 6:03 pm); Perry Opel, Grand Councilor, and Bob Kutz, Grand Historian.

Absent: Mike Young, Grand Councilor; Matt Maurer, Grand Councilor.

Guests: Drew Thawley, CEO; Ted Kocher, Educational Foundation CEO; Will Lasher, Expansion Director.

Reports:

GSP Report:

- Still reported on discussion with Educational Foundation Chair Bill Christ regarding Fraternity's responsibility and authority for badges and symbols. Still is drafting agreement language with Foundation.

CEO Report:

- Thawley reviewed advanced report (attached).

- Discussion ensued on appropriate communication of the recent revocation of the Substance-Free policy. There was agreement that it should be handled in a limited manner and Thawley anticipated focusing only on those chapters and campuses that are affected.

Educational Foundation CEO Report:

- Kocher reported on fundraising activities. Annual Fund donations are up 17%.

- Investment Committee is undergoing a thorough review of the Foundation's investment policy. All Directors have been encouraged to participate in the Committee's discussions. Burns reported that he has been impressed with the diversity and thoughtfulness of the Committee's deliberations.

Old Business:

Motion to approve September 17, 2005, minutes of face-to-face meeting in Indianapolis made by Burns. Seconded by Grissom. Approved unanimously.

Motion to approve Still's advanced work plan addendum (attached) made by Grissom. Seconded by Tilden. Approved unanimously.

Still asked everyone to review linkage plan opportunities (attached) and provide feedback to him.

New Business:

Thawley reviewed the situation at Lehigh previously provided by e-mail (attached).

Motion to revoke the charter at Lehigh made by Ritter. Seconded by Grissom. Approved unanimously.

Lasher discussed his recommendation (attached) of the chartering petition submitted by the Appalachian State Colony (attached).

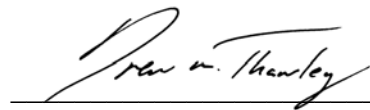
Motion to grant Appalachian State Colony a charter was made by Tilden. Seconded by Grissom. Approved unanimously.

Consideration of the expulsion of a Mu Chapter brother was tabled.

Burns discussed revised timetable of the semi-annual and annual reports which are expected to be renamed. The report dealing with EBI survey is scheduled to be distributed to the Grand Council for review prior to next month's conference call.

Meeting officially adjourned at 6:25 pm. Under the guidance of Tilden and Musbach, practice for the October 17 internet chat session continued for approximately 60 minutes.

Respectfully Submitted:



Drew M. Thawley, CEO



Jonathan Burns, Grand Secretary



MEMORANDUM



DATE: September 29, 2005

TO: Grand Council
Grand Historian

FROM: Drew Thawley

RE: CEO Report for October 4, 2005 Grand Council Meeting

HURRICANE KATRINA

We are still talking with Murray State about sponsoring a fairly large habitat for humanity effort in March. They are sending 15 men to the area this month and we'll know a lot more about the need and logistics following their dry run.

INSURANCE

As of today, over \$72,000 has been collected on the total insurance bill of \$284,500. Year over year, this is a vast improvement and we have been pleased with the response to our new allocation timeframe and model.

We received notice of a lawsuit in Northhampton County, PA in which we are allegedly liable for a fight between two undergraduate members of the Beta Epsilon chapter that resulted in injury. We have an attorney and I am engaged.

RECRUITMENT

As of our meeting, all five regional Recruitment Symposiums will be complete. Tallied participation results will be available for our November meeting.

34 Bio Forms have been received and 174 are "reported".

SCHOLARSHIP

\$36,000 in scholarship awards and grants were mailed since our face to face meeting.

CHAPTERS OF CONCERN

Lehigh- Based on policy violations that occurred in August and September of 2005, months during which the chapter was already on probation from the university, I am asking the Grand Council to revoke the Beta Epsilon Charter. On September 22, I distributed an email that addressed the concerns with the chapter (also pasted below the agenda email). I have also attached the letter that was distributed to the undergraduates for our conversation.

Maryland- We were recently told that the chapter's House Corporation has accrued a \$50,000 debt to the university. They have established an aggressive plan to work

themselves out of the situation and I am engaged in reworking their housing contracts to mandate live-ins and other fairly obvious fixes.

American- This chapter has been on the ropes for some time, primarily due to numbers and reporting trends. This year is starting of a little better, but I have scheduled a meeting with their newly recruited alumni and the chapter leadership to let them know that this year is a make or break year. I have already discussed these circumstances with one of the chapter's more avid volunteers and alumni, Bob Shaw. He is in complete agreement that the chapter has been afforded every opportunity for success and support strong action if we deem it appropriate.

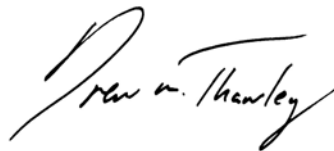
THE EXPLORATION OF AN ALLIANCE WITH DELTA SIGMA PHI

Thank you for your support of this exploratory exercise. I expect to meet with Scott Wiley, Executive Director of Delta Sigma Phi Fraternity, before our November call; I will keep you apprised to anything significant.

SUBSTANCE FREE HOUSING

On September 17, 2005, the Grand Council voted to suspend this policy. My staff is currently working on a strategy to communicate this development to key chapters and stakeholders. We will first reach key GCA's and volunteers, followed by university administrators. The undergraduates will then be told through a formalized letter.

Respectfully submitted.

A handwritten signature in cursive script, reading "Dan W. Hawley". The signature is written in black ink and is positioned below the "Respectfully submitted." text.

MINUTES of the GRAND COUNCIL CONFERENCE CALL
November 8, 2005

Call to Order: 5:34 pm EST

Roll Call: Mark Still, Grand Senior President (left at 6:00); Scott Grissom, Grand Junior President; Jeff Hoffman, Grand Treasurer; Rich Ritter, Grand Marshal; Jonathan Burns, Grand Secretary; John Tilden, Grand Councilor; Mike Young, Grand Councilor; Perry Opel (joined at 5:45), Grand Councilor, and Bob Kutz, Grand Historian.

Absent: Chris Musbach, Grand Councilor ; Matt Maurer, Grand Councilor.

Guests: Drew Thawley, CEO.

Reports:

GSP Report:

- Still officially thanked Grand Councilors Tilden and Musbach for their efforts in setting up and managing the Online Chat that took place on October 17, 2005.

CEO Report:

- Thawley reviewed advanced report.

Old Business:

Motion to approve October 4, 2005 Conference Call minutes made by Burns. Seconded by Hoffman. Approved unanimously.

Still thanked Tilden for his timely response to Thawley regarding the linkage opportunities that were communicated in the September face to face meeting binder. Still requested that all other Councilors make similar submissions by December 3, 2005.

A review of the October 17, 2005 Online Chat was entertained. It was reported that 17 staff and Councilors participated and 20 "others" participated. The topic of diversity was discussed briefly with the agreement that it would be brought up for further discussion during a future meeting or call. It was generally agreed to start planning one for the Spring, 2006, but no date was set or recommended.

Motion to ratify alterations to Joanna Burns's pension as detailed in the October 7, 2005 memo from Dan Duncan to Drew Thawley (attached) made by Grissom. Seconded by Young. Passed with 8 affirmative votes, 0 negative votes and 1 abstention.

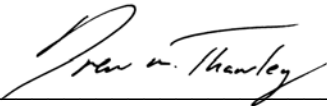
New Business:


Burns discussed the Stakeholder Report that was distributed to all Councilors in advance. There were no specific comments, but Kutz mentioned that he believes the downward trend in many of the EBI survey categories was a result of not having an annual fraternity-wide meeting each summer. It was agreed that the version presented to the Council would go to print and be mailed to Official Family members before Thanksgiving.

The next conference call was scheduled for December 6, 2005 at 5:30 pm EST. January's conference call was scheduled for January 10 at 5:30 pm EST.

Meeting officially adjourned at 6:15 pm.

Respectfully Submitted:


Drew M. Thawley, CEO


Jonathan Burns, Grand Secretary



Confidential Memorandum

TO: Drew Thawley, CEO

FROM: Dan Duncan, Asst. VP of Finance

DATE: October 7, 2005

RE: Joanna Burns's Pension

As a result of the Grand Council discussion and the letters outlining Mrs. Burns's annual increase provide by Jon Burns, I have researched staff salaries over the last few years to determine the amount due Mrs. Burns. The calculation was based on the average across the Fraternity staff for staffers that held the same position for more than one fiscal year.

Mrs. Burns pension was last increased in October of 2001 from \$1,389.00 per month to \$1,445.00 per month. I believe this adjustment represented her yearly increase for 2001-2002. Per Zizzo's letter to Mrs. Burns her yearly increase was to be enacted each July. I've calculated the average staff increase from July to July as such:

YEAR	PERCENTAGE	NEW MONTHLY AMT.
2002-2003:	1.3949%	\$1465.16
2003-2004:	0.6215%	\$1474.26
2004-2005:	4.4446%	\$1539.79
2005-2006:	12.5002%	\$1732.26

GSP Still's order to make retribution to Mrs. Burns and to come current on our promise, requires that we now pay Mrs. Burns a lump sum of \$2,592.29 and increase her monthly stipend to \$1,732.26 beginning with the October, 2005 payment. We'll need to act quickly to ensure that Mrs. Burns's 10-15-05 electronic funds transfer reflects her new amount. I'll await your authorization to proceed.

MEMORANDUM



DATE: November 3, 2005

TO: Grand Council
Grand Historian

FROM: Drew Thawley

RE: CEO Report for November 8, 2005 Grand Council Meeting

INSURANCE

As of today, over \$205,000 has been collected on the total insurance bill of \$284,500.

RECRUITMENT

Over 113 undergraduates from 17 groups participated in the five regional recruitment symposiums in 2005. 289 Bio Forms have been received (207 from chapters 82 from colonies) 69% percent have arrived with the Pledge Fee paid in full. This is on target.

VISION & TOMAHAWK

The Strategic Vision is on the website along with past Annual Reports, etc. They are found through a number of different pages (the Vision is found through About Alpha Sigma Phi for example) but are all located on the Resources page. The Tomahawk has been approved and should be in print at the time of our call.

GRANT

We have paperwork ready to request the first Grant Draw, but our cash flow has been positive enough not to make a Grant Draw necessary. In years past, we would have to make the first Draw fairly early and in combination with a draw from reserves. By restructuring the insurance allocation invoices and due dates, we have avoided the cash crunch to date.

STAFF

It is likely that we will lose at least one staff member in May, and perhaps two. Hiring will be made easier on one hand as I now have very specific needs that have taken form in certain staff roles. Yet, on the other hand, hiring will be a challenge because I am going to be seeking at least one person who has previous work experience and is an Alpha Sig. In other words, I'll be looking for someone NOT directly out of college.

THE EXPLORATION OF AN ALLIANCE WITH DELTA SIGMA PHI

My meeting with the Delta Sigma Phi executive was postponed due to our travels schedules and will take place on the 17th.

Respectfully submitted.

MINUTES of the GRAND COUNCIL CONFERENCE CALL
December 6, 2005

Call to Order: 5:32 p.m. EST

Roll Call: Grand Senior President, Mark Still; Grand Junior President, Scott Grissom; Grand Treasurer, Jeff Hoffman; Grand Secretary, Jonathan Burns; Grand Councilor, Mike Young; Grand Councilor, John Tilden; Grand Councilor, Matt Hittle; Grand Councilor, Perry Opel.

Absent: Grand Marshal, Rich Ritter; Grand Councilor, Matt Maurer.

Guests: Bob Kutz, Grand Historian; Drew Thawley, CEO.

Reports:

GSP Report

Happy Founders Day! Welcome to 161 years.

CEO Report

No written report submitted. Thawley provided review of the 2005 Annual NIC/AFA Conference in Atlanta.

Old Business:

Motion made by Grissom to approve November 8, 2005 proposed minutes with addition of accurate attendance records. Seconded by Tilden. Passed unanimously.

Motion made by Young to honor the Mu Chapter's request and expel Brad Sehmel from the Fraternity. Seconded by Opel. Passed unanimously.

New Business:

Still entertained feedback on the recently distributed Stakeholder Report that was mailed to all official family and posted on the website. Consensus was that the Stakeholder Report must be more actionable. It was recommended by Hoffman that the staff should consider abandoning the EBI survey and develop a home grown survey using available web-based technology. Thawley to take into consideration.

Ritter and Grissom expressed concern over the use of esoteric words and phrases. This concern was derived from the recent Grand Council policy to publicly use Silence, Charity, Purity, Honor and Patriotism.

Motion by Burns to task Ritter, Grissom and Thawley with developing an executive limitation regarding the use of esoteric language and/or phrases. Seconded by Grissom. Passed unanimously.

Still made strong recommendation that the Council work to have NIC Awards of Distinction applications submitted by the February 15, 2006 deadline. Hoffman, Grissom and Kutz volunteered to assist and meet deadline.

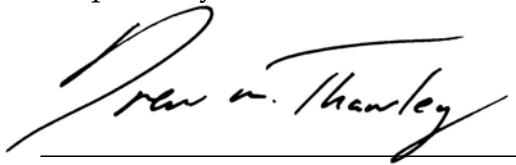
February Meeting agenda was introduced for discussion. Diversity, Thawley's Implementation Plan (accompaniment to Strategic Vision), Monitoring Reports and Values Discussion were introduced as likely agenda items.

Comments:

January 10, 2006 will be the next conference call.

Meeting adjourned at 6:38 p.m. EST

Respectfully Submitted:

A handwritten signature in dark ink, appearing to read "Drew M. Thawley", written over a horizontal line.

Drew M. Thawley, CEO

A handwritten signature in dark ink, appearing to read "Jonathan L. Burns", written over a horizontal line.

Jonathan Burns, Grand Secretary



Mu Chapter

4554 19th Avenue N.E.

University of Washington

Seattle, Washington 98105

Alpha Sigma Phi

Monday, October 31, 2005

Alpha Sigma Phi Grand Council
c/o Drew Thawley
710 Adams Street
Carmel, IN 46032

Grand Council:

Under the power granted to myself under the by-laws of the fraternity I request that Brother Brad Sehmel be removed from our roster as a brother of Alpha Sigma Phi Fraternity. As a Brother, Brad was absent from all required events. He developed a drug problem and gambling addiction that was in need of outside help. He refused to acknowledge he had a problem or get help. To our understanding he dropped out of the University of Washington and was debating moving to Las Vegas to try his luck as a professional poker player. This is not the type of brother that we want in Mu Chapter. We gave him one last chance for an explanation at Prudential, but he failed to show up. This was the last straw and after this incidence in December 2004 we demanded that Brad leave the chapter house as soon as he could.

In Phi,

Handwritten signature of Anotnio Garguile in cursive.

Anotnio Garguile
President

Handwritten signature of Kevin Wherry in cursive.

Kevin Wherry
Vice President

RECEIVED

NOV 2 / 2005

Alpha Sigma Phi Fraternity, Inc.