

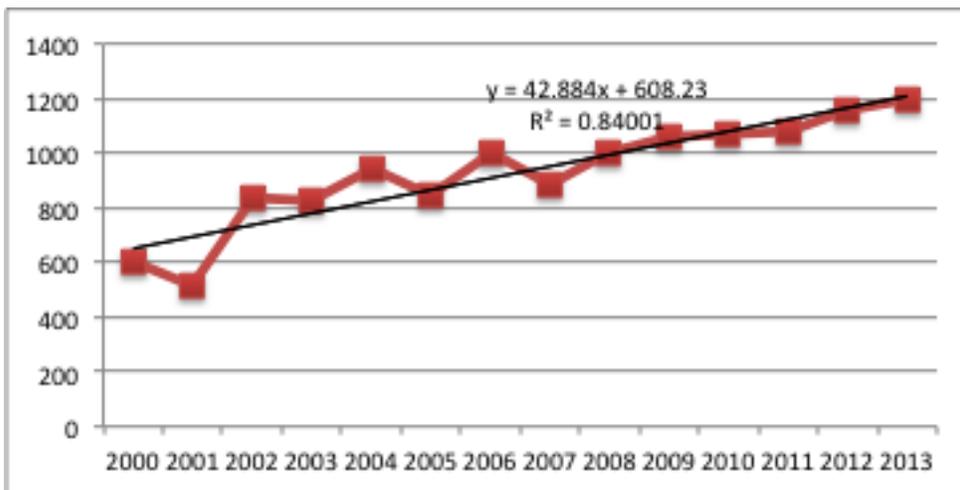
**Report of the Grand Recorder for the 52<sup>nd</sup> Biennium**  
**Patrick J. Johanns, Alpha Theta 1981**  
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**Introduction**

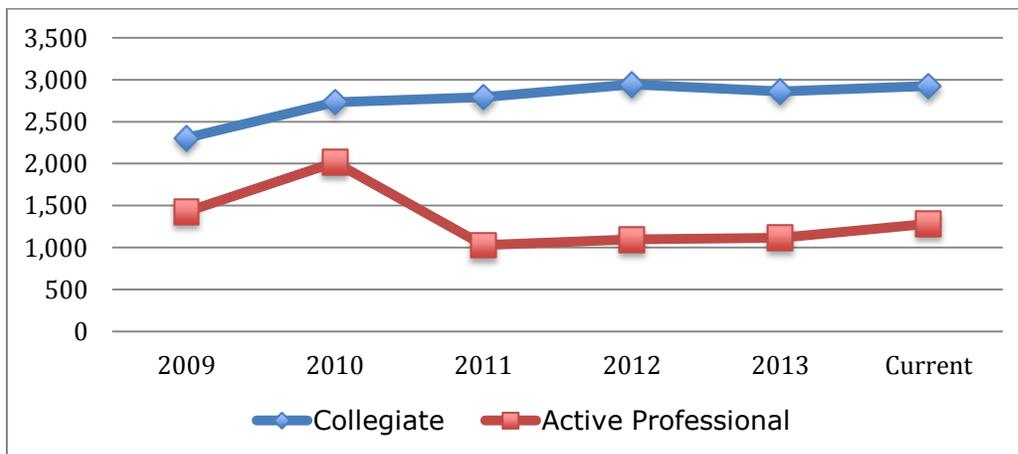
In this report I have tried to highlight where we are as a fraternity and the direction we are moving. I am happy to report that I have positive stories to tell about our membership growth, finances, and National Office functions. It has been a good biennium and our Fraternity continues to move in the right direction.

**Membership Numbers**

We have seen a steady increase in the number of new members initiated over the last decade. See Figure 1. We have currently 2,925 active collegiate members and 1,284 active professional. With a growing number of chapters and an increase in the annual number of new initiates it is no surprise that the number of collegiate members is increasing. (See Figure 2.) Our records indicate that we have approximately 46,274 living members. Alpha Chi Sigma has initiated 67,758 members since its inception in 1902.



**Figure 1. Annual Number of New Members**



**Figure 2. Active Collegiate and Professional Members**

### Chapters and Groups

In 2014, we hit the 52 active collegiate chapters mark. Figure 3 shows the number of active and inactive collegiate chapters we have had since 1980. There are currently 9 professional chapters and 9 professional groups. See Figure 4.

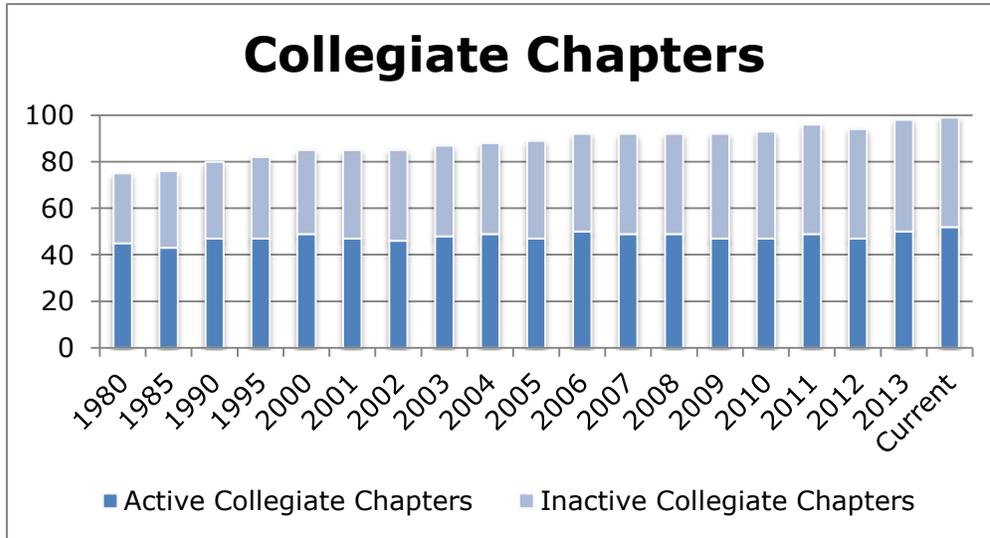


Figure 3. Number of Active and Inactive Collegiate Chapters

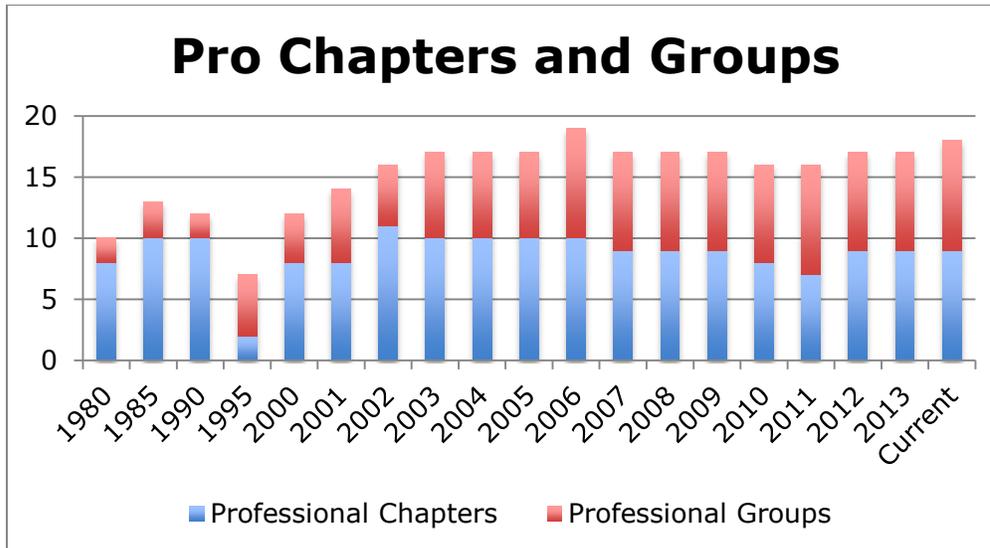


Figure 4. Numbers of Professional Chapters and Groups

### Finances

The Fraternity has planned a balanced budget each year while I have been Grand Recorder. My philosophy as treasurer is that the monies of the Fraternity should be used to provide services to the membership and that our investments are intended to both be a reserve in the case of a financial setback but also to support continuing services to our Brothers. With this in mind we continuously seek ways to conduct Fraternity operations in a more efficient manner and prudence is taken with the Fraternity's investments. Policies have been put in place to safeguard Fraternal assets and provide oversight with regular audits of the books.

**Income**

The Fraternity has 4 main sources of income: pledge and lifetime membership fees, professional donations, sponsorship and corporate affiliation agreements, and income from investments held in reserve. Figure 5 shows the income from all non-investment sources.

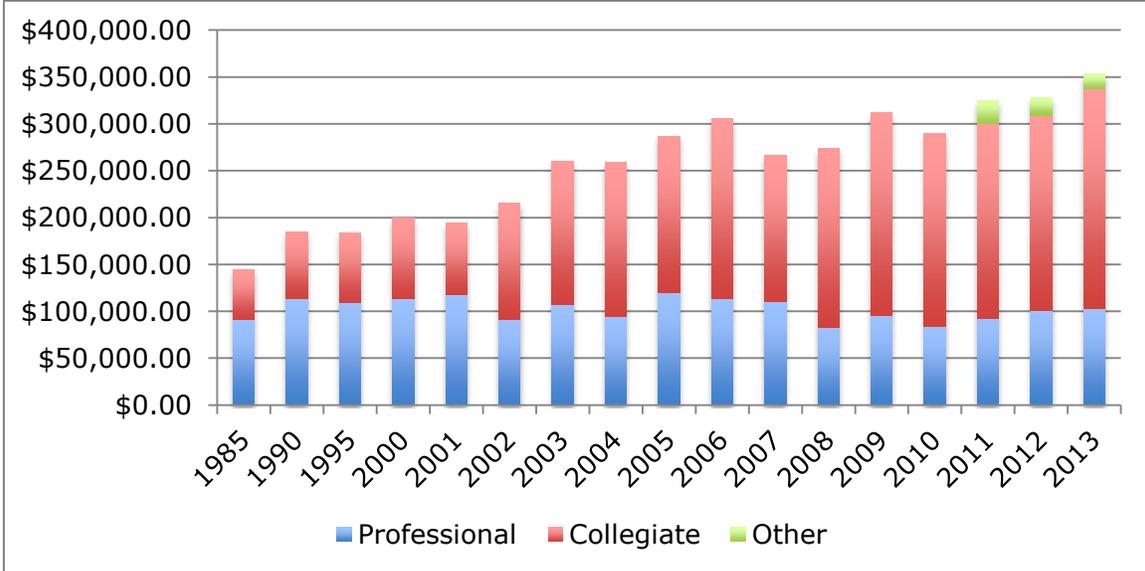


Figure 5. Incomes from Professional Branch, Collegiate Branch, and Outside Sources

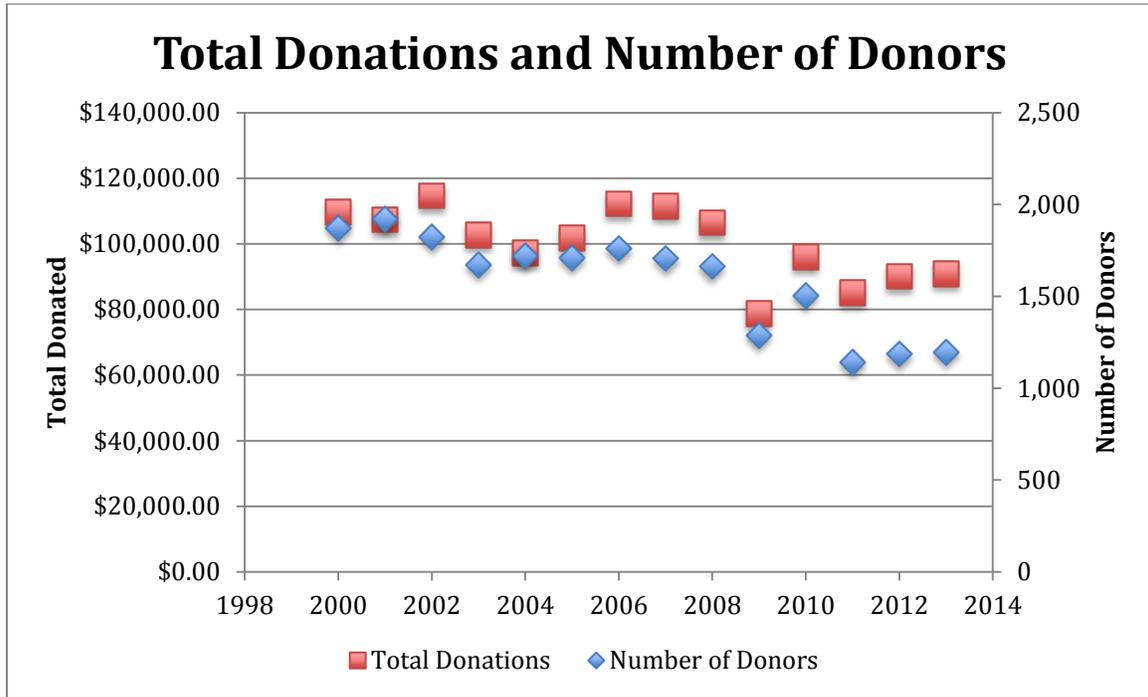
**Fees**

Figure 6 shows the level of fees over the last 32 years. The Collegiate fee total includes both the pledge and lifetime membership fee. The fee levels for the professional branch indicates the minimum donations needed to be classified as an active professional member. The Supreme Council is not recommending any increase in fees for the upcoming biennium.



Figure 6. Fees and Minimum Contributions needed for Active Professional Status

The Fraternity raises most of its professional contributions through an annual solicitation each fall. Figure 7 shows the total contributions and the numbers of donors. Note that it does not include the amount of money donated to the Reserve Fund. Reserve Fund donations totaled \$10,725 in 2012 and \$11,579 in 2013. Donations are received by mail and via online donations. The percentage of funds donated online has been steadily growing and we plan to encourage this trend by adding the software to allow automatic monthly donations in 2015.

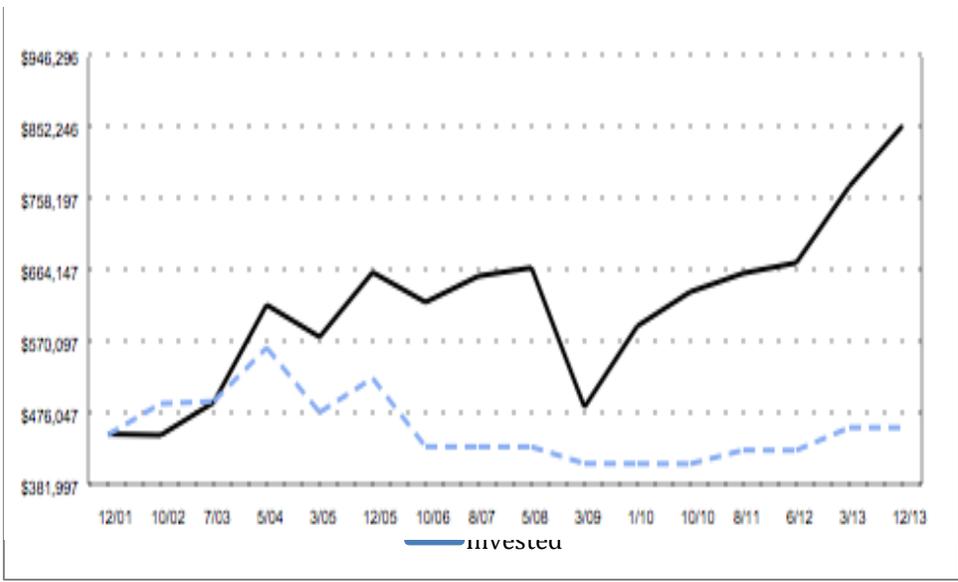


**Figure 7. Total Professional Donations and Donors by Year**

Sponsorships and affiliation agreements are recent source of additional income for the Fraternity. The Dow Chemical Foundation donates annually \$5,000 for the Southeastern District Conclave. The Fraternity is in an affiliation agreement with GEICO. In exchange for the ability to market insurance products to our members, we have received approximately \$60,000 over the last three years.

**Investments**

The Fraternity has a well-diversified investment portfolio with an investment policy and seeks to prudently balance risk vs. return over the long run. The Fraternity has developed an investment policy that outlines our strategy. This policy may be found in the Fraternity Policy Manual. Within this policy, Brad Hulse of Morgan Stanley Smith Barney has discretionary power to adjust our asset allocations. The value of the Fraternity investments was \$863,400 as of March 31, 2014. See Figure 8 for a graph of our investment level over the last 14 years. Each year, approximately 4% of this total is included in the budget to finance Fraternity operations and programs.



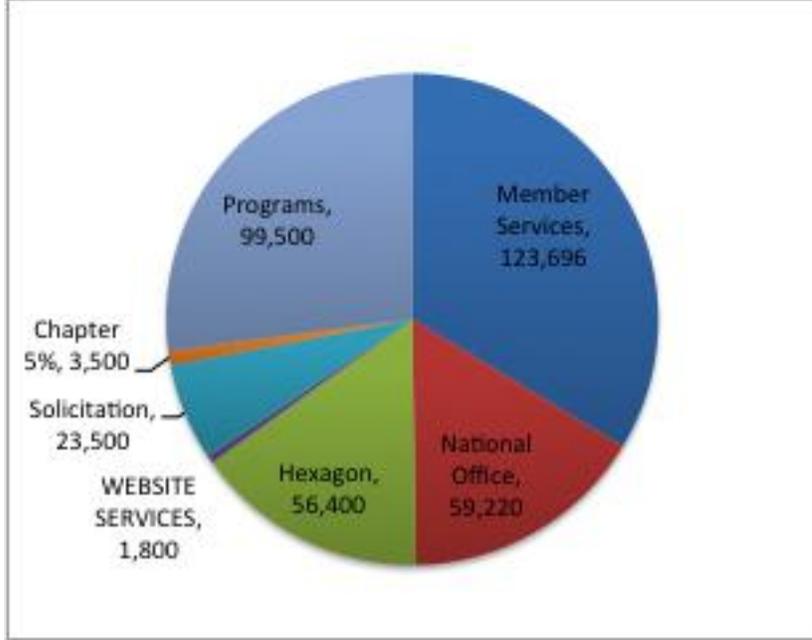
**Figure 8. Level of investments (Dashed line is total Fraternal contributions, solid line is the value of the investments)**

**House Loan Fund**

The House Loan Fund contains \$75,947 (as of 3/31/2014), which is reserved for providing loans to acquire or improve chapter houses. No new loans were applied for during the biennium and there are no outstanding loans.

**Expenditures**

In 2014, budget for non-conclave expenditures is \$367,766. Figure 9 shows the fraction of the budget going to each expense category. As can be seen, most of the income is spent providing goods and services back to the members and chapters.



**Figure 9. Planned Expenditures for 2014**

## **National Office Staff**

We are very fortunate to have an experienced staff serving in our National Office. Marena Humphress plays many roles – Assistant Grand Recorder, office manager, and bookkeeper. Teresa Clark works 30 hours per week managing communications within the fraternity, especially with collegiate chapters. Erin Godwin plays a vital administrative assistant role in the office in a part time role. Harold Cowan, I '88 is our Information Technology Administrator and Fry's liaison keeping our computer and phone network working. They keep the Fraternity running smoothly.

## **Communications**

Communicating with our members is an important function of the National Office. We use a variety of methods to contact members, including:

- **Phone**  
The national toll-free number, (800) ALCHEMY, provides a useful service to our members. The use of these has declined due to the use of Internet communication.
- **Email**  
With registration on our national website, all Alpha Chi Sigma members get an alphachisigma.com email address for life. Currently our database contains valid e-mail addresses for over 13,000 members. Most communication with chapters takes place via e-mail.
- **Facebook**  
An official Facebook page has been set up for the Fraternity as an avenue to communicate with members on a relatively informal basis. 3,790 people follow this page.
- **National Website**  
The national website, [www.alphachisigma.org](http://www.alphachisigma.org), contains useful Fraternity information, downloadable forms and reports, chapter web pages, email addresses for the national officers, a searchable membership directory, the Emerald Tablet in a Wikipedia format and more. The website is increasing in importance as an avenue for members to donate and pay fees. However the website is starting to look dated. The Supreme Council has been assessing options for upgrading the website and we intend to move forward with improvements in the coming biennium.
- **LinkedIn and Twitter**  
While the Fraternity is a moderator of a LinkedIn group (Alpha Chi Sigma Fraternity) and has the Twitter account AlphaChiSigma, not much is done with either of these avenues of communication at this time.
- **The Chrome and Blue**  
*The Chrome and Blue* is posted on the national website four times each semester in .pdf format. Announcements of its posting are sent to chapter officers in the professional and collegiate branches as well as to DCs, PRs, Chapter Advisors, and the OA. Much of the credit for the polished look of *The Chrome and Blue* is due to the professional efforts of Teresa Clark.
- **Hexagon**  
The Hexagon is mailed each fall to the 31,316 valid addresses in our membership database. The winter, spring and summer issues are only mailed to active professional members and recent graduates. During the last year members of the Supreme Council have taken responsibility for generating content for each issue. Grand Editor Brian Coppola oversees the regular publication of this journal. The most recent issues are available on the

national website. Electronic copies of issues not found on the website can be acquired by contacting the National Office. We are currently working on increasing the number of Free Electron submissions in each issue.

### **Action on 51<sup>st</sup> Biennial Conclave Motion 10**

The Grand Chapter at the 51<sup>st</sup> Biennial Conclave requested the Grand Recorder to publish and maintain lists on the National Website of the previous winners of the chapter awards presented each Conclave. (Stewart, Jonte, Hutchison, Schrenk, and Sedlak Awards. This has been done.

### **National Office Relocation**

After long consideration and analysis, it was determined that the James Miller National Office Building which has been the home of our national operations since 1984 was bigger than we needed and we could significantly reduce our expenses by relocating. In August of 2013, we identified a worthy location for our office, at 6296B Rucker Road in Indianapolis. The new location is much smaller and we were able to renovate to create a compact efficient modern office space. The new location is part of a professional office complex, has security cameras, and is in a neighborhood that is not slipping economically. The staff did an outstanding job with the move. In January, we found a buyer for the old building.

As part of the relocation effort, we had to go through all of the files, cabinets, and storage units in the old office. The National Office staff examined of the vast store of documents in an effort to reduce clutter, identify records of historical significance, and comply with our document retention policy. Although the staff had the biggest burden here, they were assisted GV Showerman and PR Becker who worked to identify photographs and documents that merit special preservation. We now have historical documents in climate controlled storage firm to protect them for posterity.

### **Other Activities**

#### **Professional Fraternity Association (PFA)**

In 2013, I was elected as a President for the Professional Fraternity Association. Our association with PFA has been beneficial to our organization. Networking with other professional fraternities has allowed an exchange of best practice ideas, the identification of businesses that can provide goods and services, and recognition of our members and chapters for their achievements. I recommend that we nominate members or chapters each year for PFA awards.

One activity that PFA is trying to set up now that could have benefit for the Fraternity is the establishment of a Leadership Academy

### **Conclusions**

We are growing in both active collegiate chapters and in number of new members each year. I expect this to continue during the next few years given the number of colonies and pre-colonies in the works.

Our finances continue to be solid: budgets are being balanced; investments are growing; affiliation agreements are yielding benefits for members and the Fraternity. With the sale of the old office with its increasing maintenance costs and a move to your newly renovated office, we should see a savings of several thousand dollars a year.

We have a great national office staff and they are one of the reasons I have so much good news to report. They work hard to keep the wheels of the Fraternity turning while also seeking ways we can operate more efficiently.

This is my fifth biennium as Grand Recorder. I want to thank the Supreme Council for letting me serve our Fraternity in this role. Many things have changed over the last ten years but there are a few constants. One of those is my wife (and Brother), Barbra Johanns, Alpha Theta 2004. She shoulders an extra load to allow me to attend Fraternal functions and carry out my duties. She is always ready to listen and provide sage advice.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Patrick J. Johanns". The signature is fluid and cursive, with a prominent initial "P" and a long, sweeping underline.

Patrick J. Johanns

Alpha Theta 1981, Grand Recorder