

# Alpha Chi Sigma Fraternity

Professional in the Chemical Sciences

Office of the  
GRAND RECORDER



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## Annual Report of the Grand Recorder December 31, 2017

### Overview

2017 has been a very challenging year for the National Office. Three complete staff turnovers, at the National Office, embezzlement of Fraternity funds by former employees, and a reduced staff for most of the year has greatly impacted the day to day operations of the Fraternity. Our obligations to our chapters, members, and pledges have not been met this year.

AGR Ken Busch and I have attempted to split up the Grand Recorder duties between us since our appointments on May 15, 2017. The original plan was to have myself focus on the National Office operations and Ken focus on the financials, both in ascertaining the fraternity's current financial state and to help develop financial policies to better protect the organization from negligence and willful harm. However, the best laid plans seldom come to pass. For much of the year we have been operating in some level of crisis mode, which has not allowed us to separate and define the duties of each office as much as I would have liked. I have not utilized Ken's skills as effectively as I could have; however, with some stability at the National Office, a more structured separation of the duties should be feasible.

### National Office Staffing

It is difficult to fully describe the spectrum of disruptions that have taken place at the National Office this Biennium. Two staff members were terminated for embezzlement in February 2017, three staff members resigned without giving any notice (two in May 2017, one in October 2017), our IT provider resigned and completely refused to provide passwords to the office IT systems in July 2017. The financial cost of the embezzlement and associated costs is broken down later in this report. The lack of professionalism by not providing notice is not only childish, but has also been damaging to the Fraternity's operations due to the lack of training provided to new employees. The unwillingness of our former IT services provider to share the IT passwords risked the loss of all of the Fraternity's financial information as the Quickbooks host computer had to be hacked by our new IT services provider (ByteCafe) Not surprisingly, the top priority for much of the year has been to find some semblance of stability while hiring and training qualified staff members.

From October 2016 to March 2017, essentially no work had been done at the National Office. This created a massive backlog that has is still being dealt with. Items have had to be prioritized to reduce the backlog. Due to the staffing level and staff proficiency, from September through October 2017, I was forced to make the decision to prioritize staff activities to focus primarily on activities that bring in revenue for the Fraternity. Namely Pledge / Initiation Paperwork and Solicitation. Nearly all other tasks at the Office were considered a lower priority and were delayed so that the Office Staff could focus on activities that allowed the business to function at a minimal level. (Bringing in revenue,

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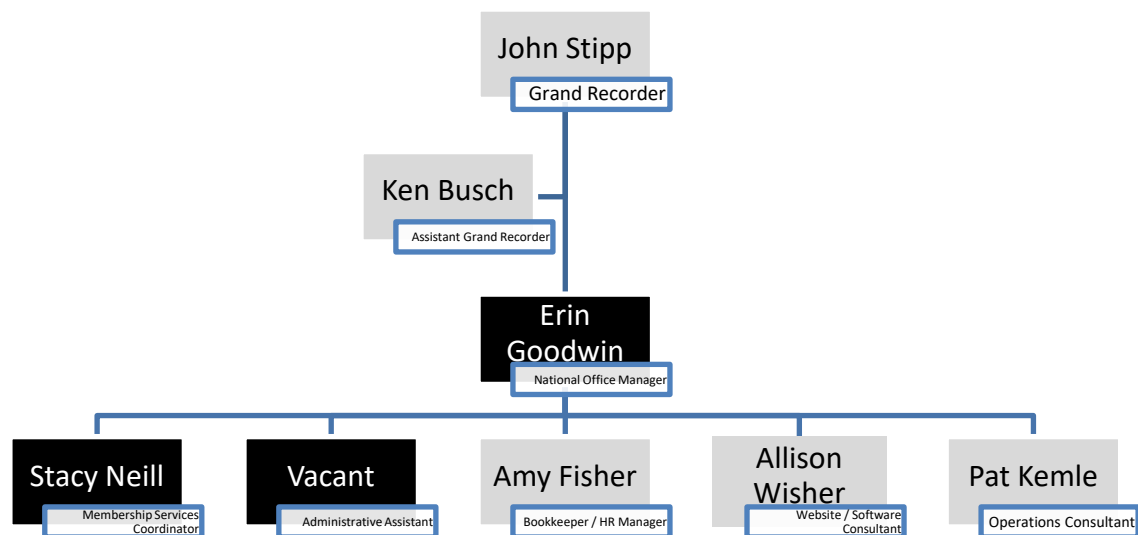


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paying bills, and recording new members). Once Erin Goodwin was hired as the Office Manager on October 30th, the situation was brought under control and the Office was able to start operating beyond a minimal level of operations.

As of this writing, the staffing situation has finally stabilized with two full time employees in the office: Office Manager Erin Goodwin and Membership Services Coordinator Stacy Neill. The Office also has two off-site employees, Amy Fisher (Bookkeeper / HR Manager), and Allison Wisner (Website / Software Consultant). Allison works part time and Amy is currently working full time, but Amy is planning to reduce her hours in 2018 if possible. The Administrative Assistant position is under review, and will be filled by either a part time or full time employee once our staffing needs are fully assessed. Pat Kemle has briefly come out of retirement and is working part time on some of the bookkeeping backlog for the Educational Foundation and is assisting with obtaining consistency in the bookkeeping between Raiser's Edge and Quickbooks. Once operations are stabilized, the staff level will likely be two or three full time employees with one or two part time employees.

## National Office Organization Chart – December 2017



**Full Time Employees (Located at 6296 Rucker Road, Indianapolis, IN)**

Full Time or Part Time Employees or Consultants (Working Remotely from Home)

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## Hiring Process

The Supreme Council desired a greater level of transparency and oversight in the hiring process, which was accomplished by adopting the following hiring process:

- The open position was posted online
- The SC, GR, AGR, Office Manager, and HR Manager reviewed the resumes and indicated who they would like contacted
- Parties were contacted by the Office Manager and the HR Manager, and phone interviews were conducted
- A summary of all the phone interviews was made available to the SC for review
- The SC, GR, AGR, and Office staff indicated who they would like to interview in-person
- In person interviews were conducted by the Office Manager, HR Manager, GR, and an SC member
- The offer letter was written by the GR and reviewed by the GMA and Office Manager before being sent out

As part of the hiring process, a background check and a drug screen are now being required for any and all new employees.

## Staff Training on Raiser's Edge

The database that the National Office uses is a software package called Raiser's Edge by Blackbaud. Proficiency in Raiser's Edge is an essential function for the Office. On May 25, the Fraternity signed a three-year contract with Blackbaud for unlimited training for an unlimited number of persons. The cost of this training is \$2,438 per year for three years. For a cost comparison, one class for one person averaged approximately \$1,500. It is hoped that the unlimited training will not only bring the office up to the efficiency level before all of the staff changes, but also be able to streamline some office practices and potentially get more benefit from the software than in years past. With the training, it would be beneficial to also train some members such as the AGR, GR, or Brothers local to Indianapolis on the software as well,

## Budget and Finances

The Fraternity essentially has two accounts where money is held. The General Operating Fund is the account used in day to day operations. The Fraternity also has an Investment Account, which contains the Reserve Fund and the House Fund monies invested through Morgan Stanley. The funds in the Reserve Fund are available for use if needed to supplement the General Operating Fund.

## General Operating Fund Income Summary

Professional Donations for 2017 totaled \$79,018.37. This is a marked improvement from 2016, but is still below historical levels. Professional donations for the past twenty years are shown in the following chart:

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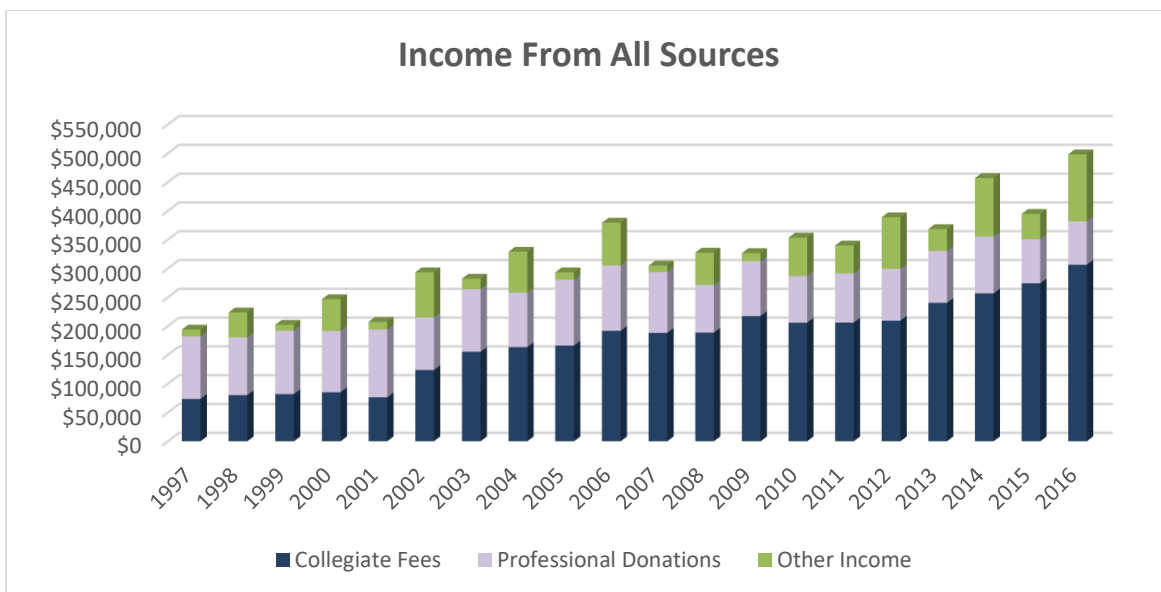
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A breakdown of the various sources of income for the Fraternity is shown in the following chart.



- Collegiate Fees consist of the Pledge Fees and Lifetime Membership Fees
- Professional Donations are donations from Professional Members
- Other Income includes Conclave Receipts, Resale Income, Reserve Fund Withdrawals, and Affinity Programs

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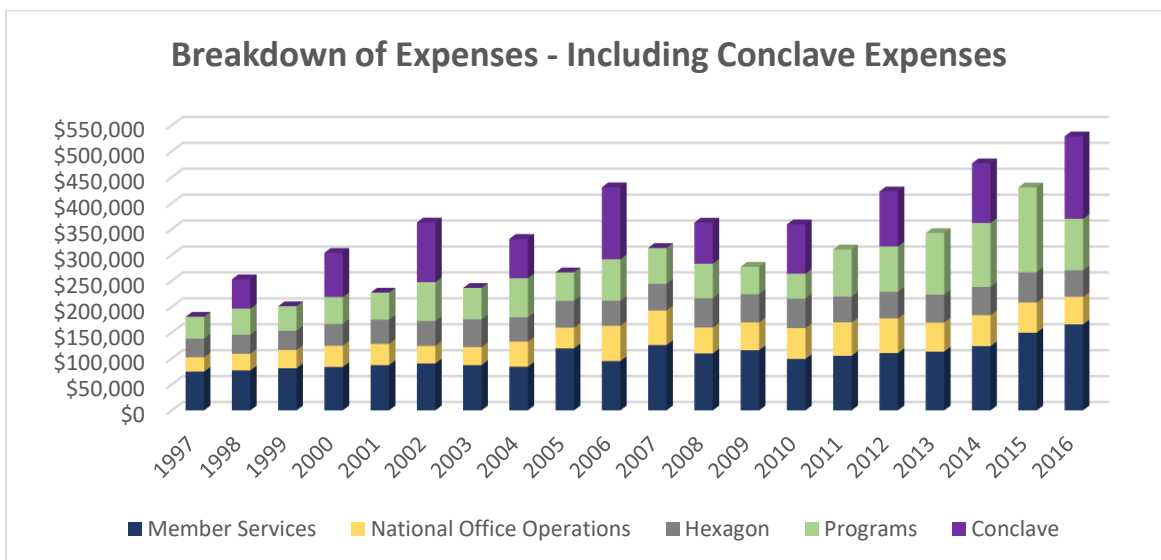
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Income has been increasing; however, that growth is mainly due to the pledging and initiation of more Brothers. Pledge and Lifetime Membership Fees continue to make up the majority of the Fraternity's income. The downward trend of Professional Donations continues to put increased pressure on the Fraternity to operate primarily on Pledge and Initiation Fees.

It should be noted that the 2017 income numbers are not fully available as of this writing.

## General Fund Expense Summary

The Fraternity has a variety of expenses required to operate and serve its' members. The major categories of those expenses have been categorized into five main categories for comparison. Member Services, National Office Operations, The Hexagon, Conclave, and Programs. Conclave is a costly event for the fraternity, so expenses for even numbered years is always higher than odd numbered years.



- Member Services includes salaries, consultant fees, GR and AGR stipends, FICA, Social Security, and State Payroll Taxes
- National Office Operations includes utilities, postage, software licenses, and bank fees
- Hexagon includes printing / mailing costs and the GE stipend
- Programs include ritual / regalia, expansion, awards, travel, DC's, PR's, SC expenses, and legal expenses, and programs
- Conclave includes all Conclave related expenses

Expenses continue to increase year over year. Pledge and Lifetime Membership Fees were last increased to their current levels (\$40 / \$145) in 2008 (Grand Chapter Motion 7 at the 49<sup>th</sup> Biennial Conclave). An increase in Pledge and Lifetime Membership Fees is likely to be proposed at Conclave. The recommended Professional contribution (\$50 or \$25 for Retirees / Young Professionals) has been held constant since 2001 (SC Proposition 3829). An increase to the recommended contribution to remain an Active Professional member should also be considered.

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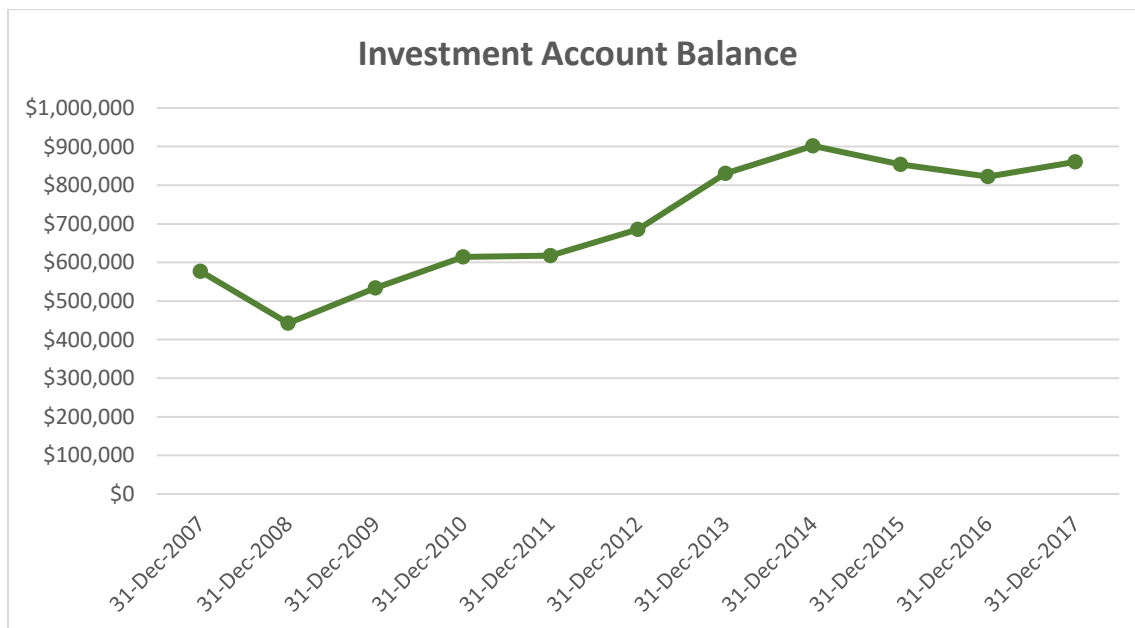


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It should be noted that the 2017 income numbers are not fully available as of this writing.

## Investment Account Summary

Investment performance was good in 2017. The balance of the Fraternity's investments on December 31, 2016 was \$822,673. The balance as of December 29, 2017 was \$860,521. The balance of the Investment Accounts over the past ten years is shown below:



A total of \$90,000 was transferred out of the Reserve Fund portion of the Investment Account in 2017 (SC Proposition 4653 on July 15 for \$50,000 and SC Proposition 4659 on August 29 for \$40,000) to pay for the costs incurred from the embezzlement and associated legal expenses noted earlier. Fortunately, the market performance has been solid, which helped offset those withdrawals.

## Employee Theft

Embezzlement of Fraternity funds from two previous full-time employees who were terminated in February 2017 and the associated legal expenses has cost the Fraternity \$78,908.07. The breakdown of those costs to the Fraternity are as follows:

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Unauthorized Credit Card Charges	\$ 7,341.58
Fraudulent Checks Cashed	\$ 1,400.00
Experian Charges for Potential Identity Theft Victims	\$ 638.30
Locksmith Charges to Rekey Office and Donor Card File Cabinet	\$ 270.00
Data Forensics Costs	\$ 23,663.17
Attorney Fees*	\$ 45,595.02
<b>Total</b>	<b>\$ 78,908.07</b>

- Attorney Fees include costs to print and mail letters to potential identity theft victims and to all donors.

Details on the non-financial aspects of the employee theft can be found in the minutes from the July 14-16, 2017 SC Meeting. Various financial controls and screening practices for employee candidates have been implemented to reduce the risk of this taking place in the future.

## Professional Donations and *The Hexagon*

Professional Donations continue to be dropping from historical levels. The primary service that our Professional Brothers receive from the Fraternity is receiving a copy of the *Hexagon*. The majority of our Professional Brothers are inactive (25,000). Our inactive Professional Brothers still receive one printed *Hexagon* copy from the Fraternity every year. The cost of this is essentially borne by the Active Professionals. Brothers are Brothers for life, and should have access to all issues of the *Hexagon*, whether or not they contribute to the annual solicitation. There is also a cost associated with sending the solicitation to Professional Members every year.

For the past two years, Professional Donations are essentially covering the solicitation cost and the cost of printing / mailing the *Hexagon*.

	2012	2013	2014	2015	2016
<b>Professional Donations</b>	\$90,114	\$90,226	\$98,436	\$76,531	\$70,338
<b>Cost of Solicitation</b>					
Printing & Postage	\$20,614	\$21,695	\$25,330	\$23,527	\$16,803
<b>Hexagon Expenses</b>					
Printing & Postage	\$42,135	\$46,025	\$46,040	\$49,855	\$42,772
Grand Editor Stipend	\$ 8,000	\$ 8,000	\$ 8,400	\$ 8,400	\$ 8,400
<b>TOTAL INCOME</b>	<b>\$90,114</b>	<b>\$90,226</b>	<b>\$98,436</b>	<b>\$76,531</b>	<b>\$70,338</b>
<b>TOTAL EXPENSE</b>	<b>\$70,749</b>	<b>\$75,720</b>	<b>\$79,770</b>	<b>\$81,782</b>	<b>\$67,975</b>

For reference, the *Hexagon* is typically mailed to the Collegiate Members and Active Professionals three times per year. This totals roughly 7000 copies. One issue is mailed to all members of known mailing address (Collegiates, Active Professionals, and Inactive Professionals), which totals roughly 32,000 copies (25,000 of which are inactive Professionals).

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Grand Editor Brian Coppola provided several options to myself and the Supreme Council to make the *Hexagon* more available to all of our Brothers and reduce costs to the Fraternity based on the current capabilities of our publisher. After discussions with the SC, the Fraternity is moving to what our publisher defines as their “Hybrid Model”. The Hybrid Model is the publication of the *Hexagon* in both a print copy format and an online digital format. All Collegiate Brothers and all Active Professional Brothers will continue to receive four printed copies of the *Hexagon* each year, with an option to “opt out” of the printed copy should they so desire. All Brothers, including Inactive Professional Brothers will have full access to all online issues. E-mails with the link to the newest version will be sent out when each issue is posted by the publisher.

The cost of posting the *Hexagon* online through the publisher is \$400 per issue, or \$1,600 per year. By not sending a printed copy to all the inactive Professional Members once per year (as has been recent practice), the Fraternity will save roughly \$13,400 per year in printing and mailing costs.

## Jewelry / Resale Pricing Adjustments

An examination of the pricing of the jewelry and resale items at the National Office showed that we were losing money on selling many of these items from the National Office. Although it is not my intent to have large margins on our jewelry and resale items, we should not be content to sell these items at a loss. As such, I have worked with GMC Ellis to reprice the items with a common formula, thus ensuring that the Fraternity covers the costs for the items and makes a very small (5%) profit on these items. The following formula is being used to price all jewelry, resale items, and regalia replacements:

Item cost + Staff time (calculated at average staff salary and 15 minutes to process order) + 5% = Item cost (rounded to nearest whole dollar).

A summary of the former and current pricing of items sold from the National Office along with the profit or loss per item is shown below:

Item	Former Selling Price	Former Profit (Loss)	Current Selling Price	Current Profit (Loss)
Professional Pin	\$3.00	(\$6.03)	\$11.00	\$1.45
Pledge Pin	\$5.00	(\$3.63)	\$10.00	\$0.86
Member Badge	\$10.00	\$2.47	\$9.00	\$0.98
Silk Tie	\$30.00	\$3.01	\$30.00	\$2.06
Hexagon Scarf	\$30.00	\$3.01	\$30.00	\$1.90
License Plate	\$10.00	\$2.27	\$9.00	\$0.78
Graduation Medallions	\$12.00	\$1.02	\$13.00	\$1.45
Greek Letter Tattoo	\$0.33	(\$4.88)	Discontinued	Discontinued
Hexagon Tattoo	\$0.33	(\$4.88)	Discontinued	Discontinued
Static Cling	\$2.00	(\$4.88)	Discontinued	Discontinued
Vinyl Sticker	\$1.00	(\$4.88)	\$17.00 (pk of 10)	\$1.46



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There are intangible benefits to providing items to our members to enhance their membership experience; however, as shown in the table above, it is not beneficial for the National Office to be selling low cost items such as temporary tattoos and static clings. As such, those items have been discontinued. The vinyl stickers were repackaged to be sold in packs of 10 to help make the cost more reasonable; however, once these items are sold out, we will not be ordering any more.

Additionally, Formsite is now being used to process these orders. That changed the cost structure of the resale items; thus, the processing / payment fees are different in the former item costs and the current item costs. Formsite is a much easier process for the office as their website handles the payments, as opposed to having the National Office process credit cards over the phone.

## Inventory

The inventory at the National Office of Badges, pledge pins, sourcebooks, and resale items was in complete disarray in May. Several hundred copies of the Sourcebooks were likely thrown away by the previous staff members. At some point after October 2016, the National Office adopted the practice of sending pledge pins out to the Collegiate Chapters upon receiving the Pledge Induction Reports. The number of pins was based on the number of pledges at the chapters. The Chapters were then billed \$5.00 per pin (selling price at that time). The staff was not aware that the pledge pins should be reused and that the Chapters generally purchase additional pledge pins when needed. A manual count of all items in the Office was required, and this was performed by NCDC Josh Stenger. Both myself and the Office Staff are thankful to Josh for his efforts with the inventory.

## Outside Influences

Outside influences may impact the Fraternity financially. Public opinion is not favorable towards social Fraternities at this time. (As of November 22, according to *USA Today*: Penn State University, Louisiana State University, Florida State University, University of Michigan, Indiana University, Texas State University, and the Ohio State University have all suspended or made changes to Greek Life on their campuses in 2017). Even though Alpha Chi Sigma is a professional Fraternity, a negative perception against Fraternities in general could adversely impact our pledge numbers in coming years.

Recent changes to the Federal Tax code may make it more advantageous for taxpayers to opt to use the standard deduction instead of itemizing their deductions. This change could adversely impact Professional Donations and Gift-in-Kind donations received from Professional Members. Several not-for-profit organizations have serious concerns about how this will impact their revenues in the coming years. It is likely that Alpha Chi Sigma would receive fewer donations from Professional members without the tax benefit.

Both of these influences will result in a conservative budget proposal to the Supreme Council for 2018.

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## Financial Tracking and Controls

One lesson learned this year is that improved Financial Tracking and Controls are needed for the Fraternity. Several steps have been taken to safeguard the Fraternity's funds and donors credit card information since May 2017.

### Restricted Access to Investment Account

Access has been restricted to the Fraternity's Morgan Stanley investment Account (Reserve Fund & House Fund). HR Manager / Bookkeeper Amy Fisher has access to view the account, but not move any money. Previously the Office Manager has had that ability. Although this function was never misused at any time, it was identified as a financial risk to the Fraternity and that risk was mitigated by restricting access. Only the SC, GR, and AGR can make any transfers in or out of the investment account. Furthermore, it is my intent that all transfers out of the investment account require an SC Proposition.

### 2016 Year-End Adjustment Issues

A \$93,000 adjustment was recommended for Fiscal Year 2016 by our Auditors (VonLehman). In layman's terms, \$93,000 of the budget was allocated to incorrect budget lines by the previous bookkeeper(s). This amount is nearly 20% of the Fraternity's budget for the year. There could be several causes for this ranging from poor bookkeeping skills, a lack of understanding of the Chart of Accounts, overall negligence, or even a poor understanding of our Chart of Accounts by the Auditors. Several actions are taking place to prevent this from happening in the future:

- AGR Ken Busch made a detailed listing of the Chart of Accounts. This was reviewed, and distributed to the SC and Office Staff to help educate everyone on where expenses should be allocated. Duplicate account lines were removed, and new lines added where appropriate.
- The Budget Worksheet used at SC meetings has been modified to include descriptions of all budget lines.
- Pat Kemle, who served as our bookkeeper for over twenty years has been hired on as a part time consultant to help correct issues and answer questions in nonprofit accounting
- Amy Fisher is working with the GR, AGR, and UHY (CPA Firm) to modify the Chart of Accounts for the Fraternity to simplify budgeting and the auditing procedure in 2018.

### Fixed Asset Tagging and Tracking

In October 2017, the National Office has begun tagging Fixed Assets. As organizations become more scrutinized for their not-for-profit status, it is important for Alpha Chi Sigma to be able to more easily track and quantify its' Fixed Assets.

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## Credit Card Policy

A Credit Card Policy has been developed and will be reviewed at the Supreme Council meeting in January. This serves to put appropriate checks and balances on the Fraternity Credit Cards and spell out penalties for violations.

## Check Issuing Procedure

A rudimentary check and balance has been implemented at the National Office. Amy is the only employee with the ability to print checks. Amy works remotely, and the check printer is at the National Office. So, in order for the Fraternity to issue checks, the following process must take place:

- Bookkeeper sends the queue to the printer
- Office Manager loads checks into the printer
- Office Manager, an SC Member, GR, or AGR sign the checks
- Any check over \$1,000 must be signed by at least two persons (one of which must be the GMA, GR, or AGR)

As such, it is not possible for any single employee or volunteer to issue checks. Although rudimentary, this is still an improved check and balance system than had been present. Improved workflows are available, such as electronic approval processes, and these will likely be explored in 2018.

## Donor Credit Card Information Purge

The previous National Office Policy was to retain the solicitation donor cards in the Office for seven years. If the donor had made a donation with a credit card, these numbers were written on the donation cards. As such, the National Office was in possession of hundreds of credit card numbers from our Brothers. Although there was no evidence of any inappropriate access of these cards by previous staff members, it was identified as a risk to our Brothers' credit card numbers. Jennifer Showerman, OA travelled to the National Office and shredded all the retained donor cards. Records of all donations were kept on batch records, which recorded the donor and specific donation amounts, but no credit card information. As such, donation records have been maintained, and a risk for credit card theft removed.

## Solicitation Payment Method Changes

The option to send in a credit card number on the solicitation donation card has been removed. Donors from the solicitation can only make a donation by check, or by using their credit card through the Fraternity webpage, which is secure through Blackbaud, and does not provide any credit card information to the office. Credit card information for any members will not be kept at the National Office.

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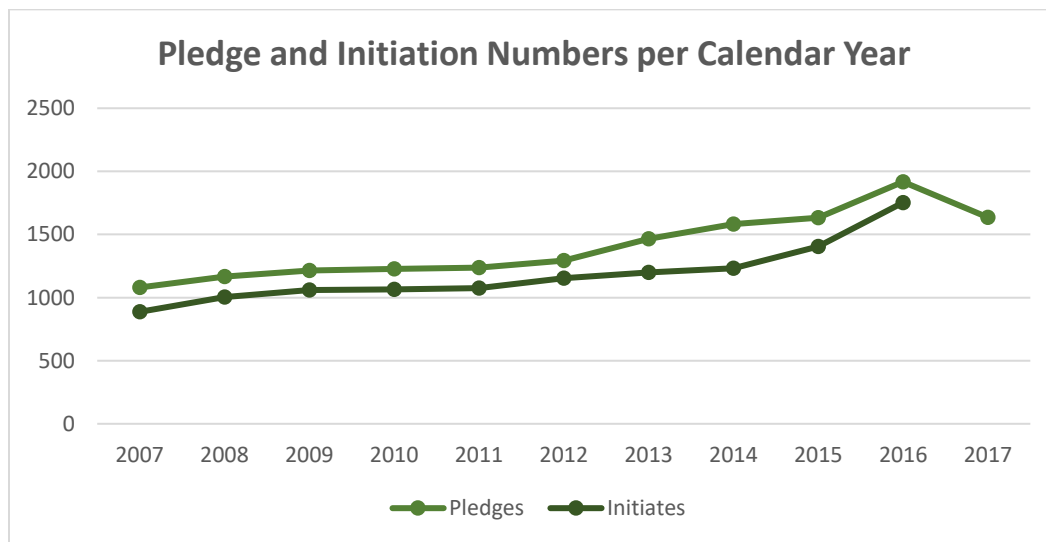
## Compilation / Audit Bid

For the past several biennia the same CPA firm, VonLehman (who acquired Dunbar, Cook, and Shepherd in 2013), has been used for compiling or auditing the Fraternity's books. The costs of these have been steadily increasing every year. I made the decision to put this work out for bid. Three firms were approached: Allman Johnson, UHY, and VonLehman.

The bid from UHY for a full audit came in significantly less than the VonLehman quotation. Moving to UHY will save the Fraternity \$5,000 to audit the 2017 books. UHY is a large well-known CPA firm who has the ability to assist the Fraternity with our Chart of Accounts and migration to Quickbooks online if needed.

## Membership

The Fraternity pledged 1636 pledges in 2017. As of this report, the initiate recordings are not fully available. The Fraternity continues to initiate about 85% of the persons pledged, as has been the average over the past ten years. Pledge and initiation numbers will have declined from the peak observed in 2016.



## Collegiate and Professional Chapter Numbers

Due to significant expansion in the past year, Alpha Chi Sigma currently has 60 Active Collegiate Chapters, 7 Collegiate Colonies, and 3 Collegiate Groups.

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The Professional Branch currently numbers 9 Professional Chapters, and 13 Professional Groups.

## **Professional Representative Election**

Part of the annual solicitation involves the election of the Professional Representatives. The vote tally for the 2018-2019 Professional Representatives was as follows:

Mike Raffay, <i>Iota 2000</i>	165
Stephanie Bates, <i>Alpha Rho 1995</i>	158
Kate Cavanaugh, <i>Alpha Theta 2003</i>	137
Hannah Bowman, <i>Beta Nu 2006</i>	117
Jenna McClanahan, <i>Gamma Theta 2010</i>	89
Megan Czerniejewski, <i>Beta Psi 2010</i>	88
Elizabeth Brown, <i>Gamma Iota 2013</i>	72

Brothers Raffay, Bates, Cavanaugh, and Bowman will serve as Professional Representatives from January 1, 2018 to December 31, 2019. The Fraternity is grateful to all the candidates for their willingness to serve the Fraternity.

## **Information Technology Upgrades**

GCA Kip Nalley has been leading projects for several IT upgrades for the National Office. ByteCafe has been hired to be the IT service provider for the Fraternity. This service will cost the Fraternity \$300 per month (\$3,600 per year) for the base support. Additional charges will apply if additional computers are added, or if additional services are required. ByteCafe is headquartered in Indianapolis and has experience working with other not-for-profit organizations.

Since the National Office has started working with Byte Café, the e-mail addresses were changed from forwarding addresses to actual Gmail e-mail accounts for the National Office Staff, SC, GR, AGR, GE, GH and DC's. This will allow for more collaborative work and the ability to use shared files through gsuite.

Several hardware upgrades were required in 2017. Much of the equipment at the National Office was refurbished and did not have consistent versions of operating systems, software, etc. Two laptop computers and one desktop computer were purchased through ByteCafe in 2017. Additional

hardware may be required in 2018. It is my intent, if possible, to replace computers on a rotating three year schedule, with one third of the office computers being replaced each year.

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The National Office uses Quickbooks for our bookkeeping. This has traditionally been housed on a computer at the National Office. For employees to access Quickbooks from outside the National Office, it was necessary for them to “remote in” on to a computer physically located at the National Office. The “remoting in” process forced four staff members to share one computer at the National Office, as only one person could be using that computer at one time (either in person or from a remote location). This restricted the number of users and was highly inefficient. In 2018, the National Office is planning to switch to Quickbooks Online. Quickbooks Online is a cloud based system which will allow multiple employees or officers to have access to the books from any location, and at the same time. This will be useful for internal checks and balances, and will be much more efficient than the “remoting in” practice. Additionally, the Quickbooks Online version that is being adopted is geared specifically for not-for-profits. The current Quickbooks version is not. It is believed that using a not-for-profit version will speed up some of the compilation or auditing by outside firms, and will aid in preparation of the IRS 990 form filed with the IRS each year. Preparing the 990 in house could create an opportunity for cost savings in future years.

## **Employee Manual Rewrite**

A new Employee Manual was adopted in September. The Employee Manual was completely rewritten by Amy Fisher. Amy has a background in Human Resources, and was well qualified to write the manual. Furthermore, the Employee Manual was subsequently reviewed by the Lunt Group, which is a law firm specializing in Employee Manuals and Employment Law. As such, we have a high degree of confidence that all content in the Employee Manual is currently compliant with all Federal and Indiana State Laws.

## **Insurance Policy Review and Update**

The Fraternity insurance policies are under review and are in the process of being updated to match the current needs of the Fraternity. Further work in this area will be required in 2018 to ensure that the Fraternity is properly covered.

## **Conclusions**

Although the state of the National Office operations was dire earlier this year, I believe that we have turned the corner and should look at this as an overall opportunity for the organization. We are slowly working our way out of the weeds, and I am pleased to report that the Fraternity is also using this time to examine our operations and look for ways to improve and streamline processes.

However, the cost of the staffing escapades and lack of financial controls needs to be tallied. The full monetary cost to the Fraternity was nearly \$79,000. However, there may be intangible costs to the Fraternity from this which cannot be easily quantified. Those intangibles could include reduced

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Professional contributions, and a lack of confidence from our Brothers and Chapters to support them as expected.

Additional recurring expenses have been taken on with hiring Byte Café to manage our IT infrastructure at \$3,600 per year, and with the Blackbaud / Raisers Edge training contract at \$2,438 per year for three years. However, we were able to reduce our expenses by \$13,400 per year by providing inactive Professionals digital copies of the *Hexagon* and will save \$5,000 in 2018 by moving to a different CPA firm to provide our audit. The Fraternity was also able to pay the \$20,000 to the Educational Foundation for the first of five installments for funding the Alpha Chi Sigma Scholar Award out of the General Fund. At Conclave it will likely be proposed to raise the pledge and/or initiation fees to help offset rising costs and reduced Professional donations. Increasing the recommended Professional donation from the solicitation should also be explored.

The Fraternity owes a great debt of gratitude to Amy Fisher. Amy has saved the Fraternity from greater losses by bringing the wrongdoings of some of the prior staff to the attention of the Supreme Council. Had Amy chosen to look the other way, the Fraternity would likely have sustained much greater losses and would have been in a more difficult position than we find ourselves in today.

In two months, Erin Goodwin has already brought a great deal of stability to the Fraternity as the Manager of the National Office. The benefits of having a talented and competent manager should never be overlooked, and I am greatly appreciative of all her hard work to bring the National Office operations under control.

Allison Wisher is also owed a debt of gratitude by the Fraternity. Allison's knowledge of procedures and practices as to how things were done prior to her dropping to part time status has helped the Office get back to where they were before all the staff disruptions.

I would also like to thank Brothers Ken Busch, Michael Heilman, John Becker, Pat Kemle, and NCDC Josh Stenger for their input and insights on the National Office operations. Their insights have been very helpful in restoring the National Office to an operational state. It says a lot about this organization to see how we can all come together for the greater good in times of crisis.

Yours in the Double Bond,

A handwritten signature in black ink, appearing to be 'J. Stipp'.

John N. Stipp, *Epsilon 1989, OA*  
Grand Recorder