

Alpha Chi Sigma Fraternity

Professional in the Chemical Sciences



53rd Biennial Report

Office of the GRAND RECORDER

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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 fifteen years. See Figure 1. We have currently 3,337 active collegiate members and 917 active professional members. Our records indicate that we have approximately 44,851 living members. Alpha Chi Sigma has initiated 70,824 members since its inception in 1902.

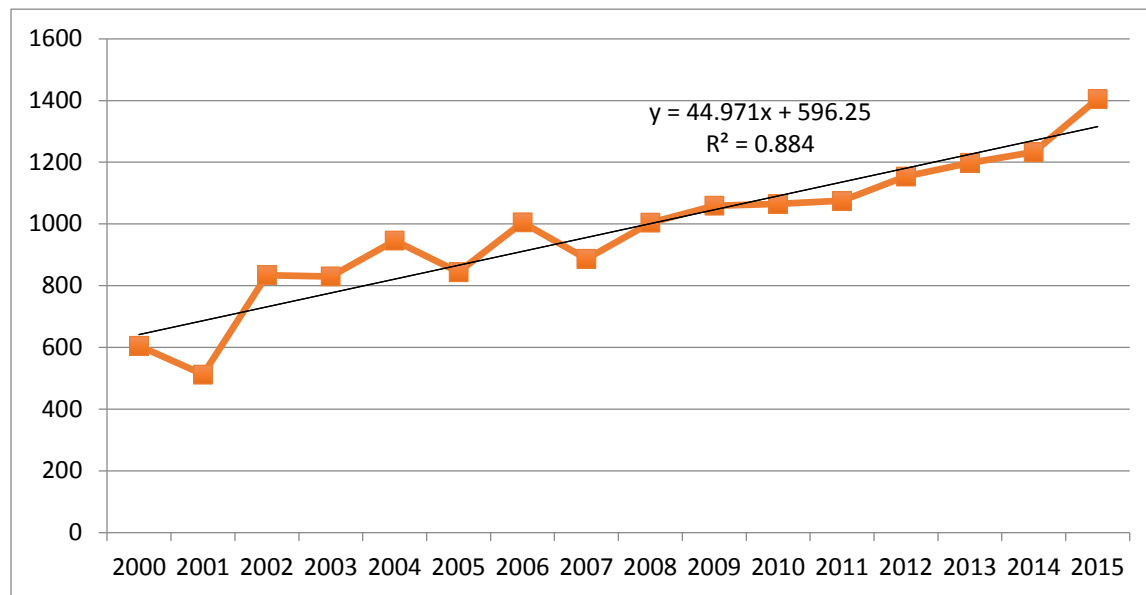


Figure 1. Annual Number of New Members - The rate of new members continues to grow each year.

Chapters and Groups

In 2016, we hit the 55 active collegiate chapters mark. Figure 2 shows the number of active collegiate chapters we have had since 2001. On the professional side of the Fraternity, here are currently 10 professional chapters and 10 professional groups. The number of active chapters and groups is strong. See Figure 3 trends in professional chapters and groups.

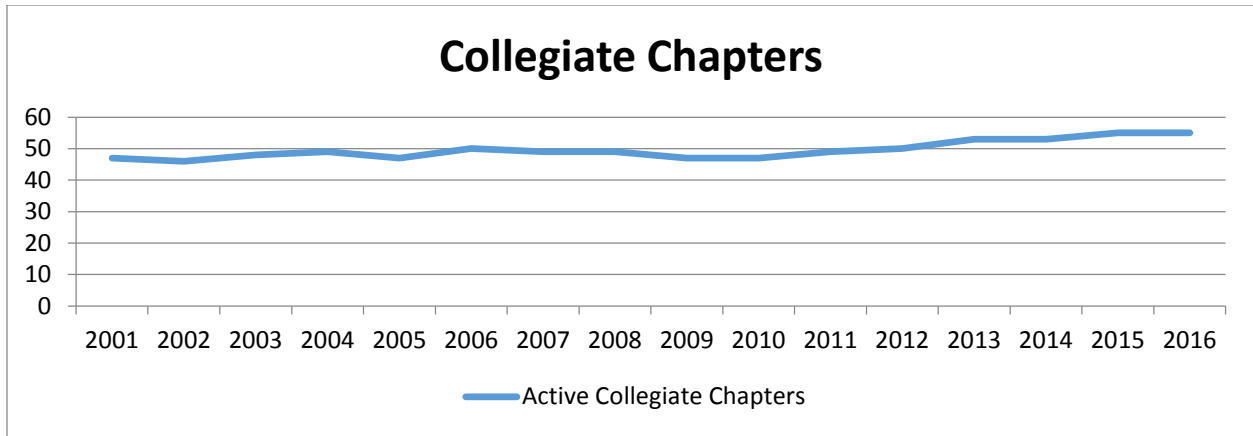


Figure 2 Number of Active Collegiate Chapters

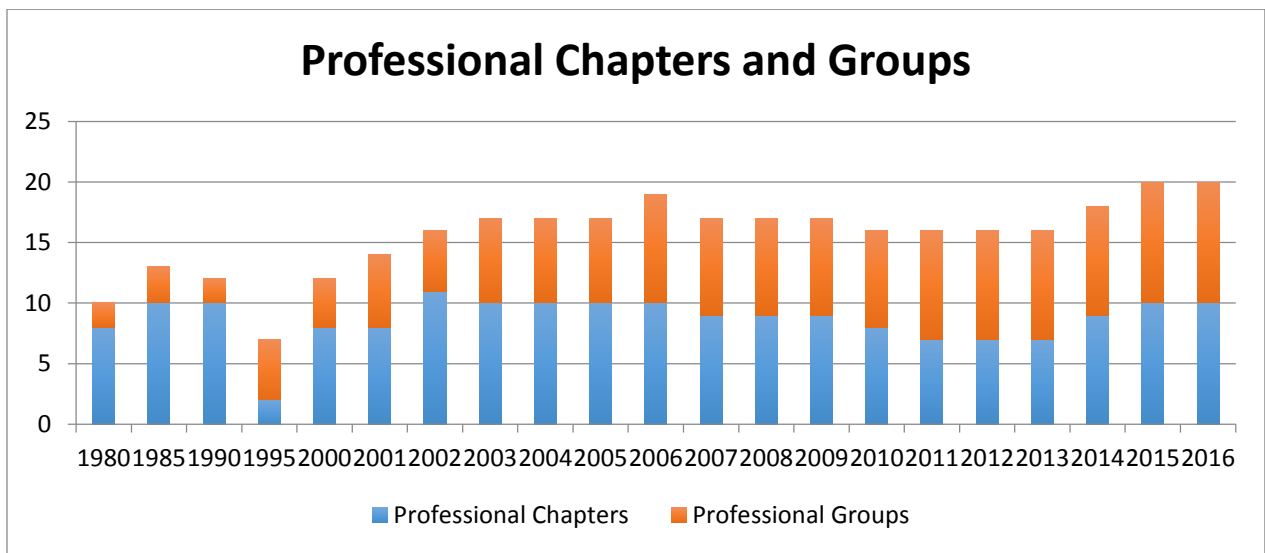


Figure 3. Numbers of Professional Chapters and Groups

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 to allow them to continue to grow versus inflation while still using a portion of the investments in the annual budget. Policies have been put in place to safeguard Fraternal assets and provide oversight with regular audits of the books.

Income

The Fraternity has four main sources of income: pledge and lifetime membership fees, professional donations, sponsorship and corporate affiliation agreements, and income from

investments held in reserve. In Conclave years, there is also income from conclave registrations which is spent to help hold conclave. Figure 4 shows the income sources of the \$514,000 budget for 2016.

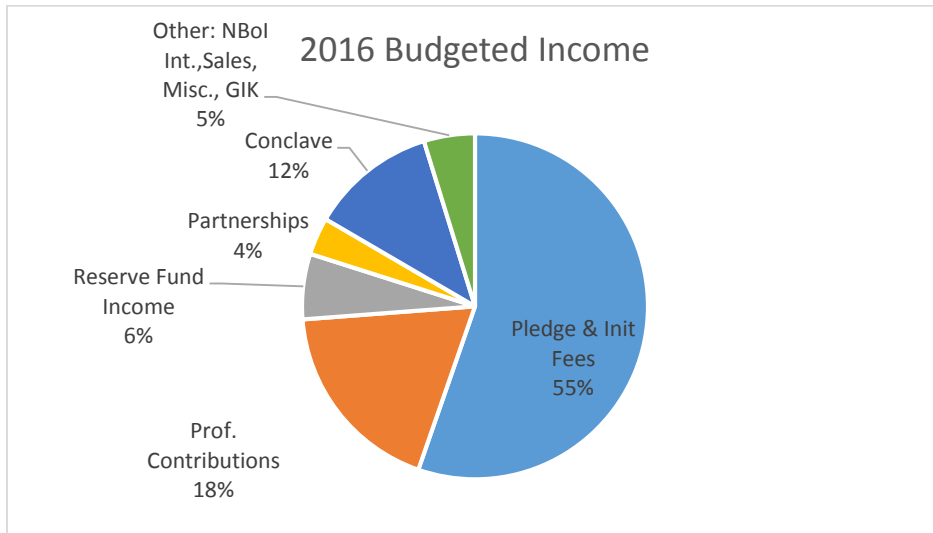


Figure 4. Income from Professional Branch, Collegiate Branch, and Outside Sources

Fees

Figure 5 shows the level of fees over the last 36 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. I do not recommend increases in pledge or lifetime membership fees or professional contributions for the 54th biennium but the budgeting process is becoming more challenging and I would not be surprised to recommend modest increases in the future.

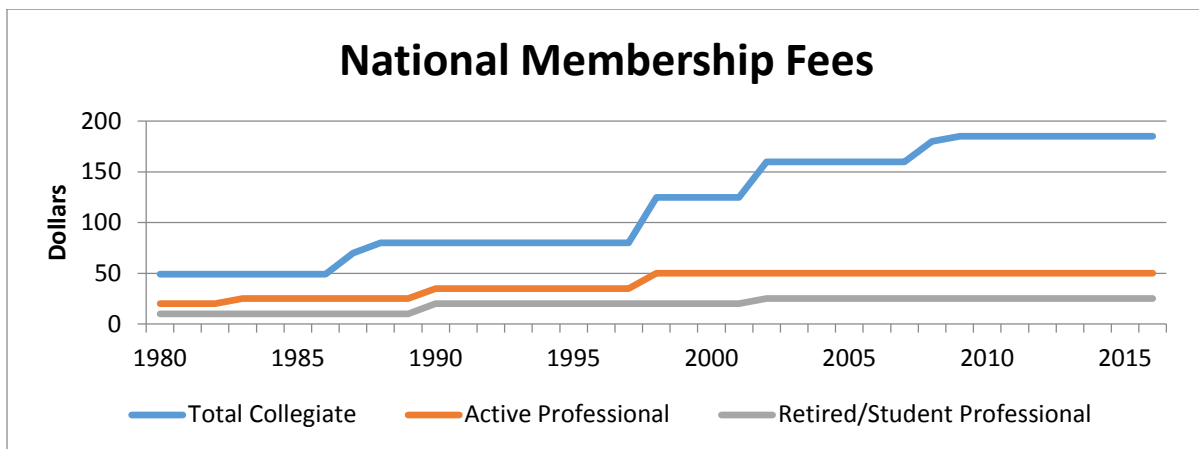


Figure 5. Fees and Minimum Contributions needed for Active Professional Status

Other Income

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 \$95,000 over the last five 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 \$854,000 as of December 31, 2015. A review of the history of our investments will show that we are earning an above average return for the level of risk in the portfolio.

Expenditures

In 2016, budgeted expenses are \$543,000. Figure 6 shows the fraction of the budget going to each expense category. As can be seen, most of the budget is spent providing services back to the members and chapters.

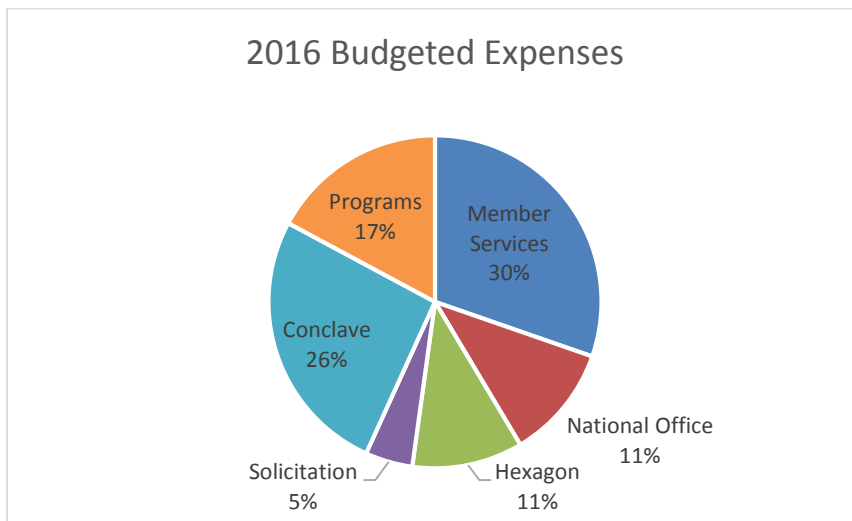


Figure 6. Planned Expenditures for 2014

House Loan Fund

The House Loan Fund contains \$86,879 (as of 6/13/2016) 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.

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. As the Member Services Coordinator, Allison Wisher supports the day-to-day implementation of the Fraternity's membership communications and recording, including all social media. Kirsten Cleveland serves as the Administrative Assistant and takes care of maintaining the member database, processing donations and jewelry orders and many other tasks. Erin Goodwin works on an as-needed basis to provide exceptional graphic design work. Harold Cowan, I '88 is our Information Technology Administrator and Fry's liaison, keeping our computer and phone network working smoothly. His volunteer hours are greatly appreciated.

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 though its use 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**
The Fraternity Facebook page has become an important avenue to tell our members and the world what we do. 4,295 people follow this page.
- **National Website**
The national website, www.alphachisigma.org, was overhauled in 2015. Many members helped us evaluate options and test the layout. Our website now has a fresh new feel to it, provides a more intuitive user experience, and appears great on a variety of platforms. A special thank you to the National Office staff who worked countless hours on this project.
- **LinkedIn and Twitter**
In addition to being a moderator of a LinkedIn group, we created an Alpha Chi Sigma Fraternity company page and have 17,449 followers. Not much is done with Twitter at this time.
- **Hexagon**
The Hexagon is mailed each fall to the 36,320 valid addresses in our membership database. The winter, spring and summer issues are only mailed to active professional members and recent graduates. 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.
- **Membership Directory**
Every 6 to 10 years, Alpha Chi Sigma has worked with Harris Connect to generate a membership directory. Harris contacts our members, updates our database, and creates a directory that is sold to members. The Fraternity receives royalties on these sales. Our royalties for the 2015 directory was \$4,360. The experience this time was not 100% positive so this will be taken into consideration before another directory is created.

National Office

Our office, at 6296B Rucker Road in Indianapolis is part of a professional office complex that we moved into in late 2013. Here, we have many fewer concerns regarding the physical operations of the office and are better able to focus on providing services to the members.

Professional Fraternity Association (PFA)

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. In another notable accomplishment, PFA has been successful in creating a Leadership Academy. This weekend program has the potential to be a valuable service to our members.

In Conclusion

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 collegiate groups in the works. The decline in active professional members and contributions from the professional branch is a concern that I think we need to address.

None the less, our finances continue to be solid: budgets are being balanced; investments are growing; affiliation agreements are yielding benefits for members and the Fraternity.

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. The update in the website and our media strategy will position us to continue to communicate effectively on modern platforms

This is my sixth 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 twelve years but there are a few constants. One of those is my wife (and Brother), Barbara Johans, 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,



Patrick J. Johans

Alpha Theta 1981, Grand Recorder