

**Sigma Phi Epsilon Fraternity
National Board of Directors
Meeting Minutes**

**May 19, 2007
Virginia Crossings Conference Center
Richmond, Virginia**

National Directors in attendance:

Archer L. Yeatts, III, Richmond, 1964	Grand President	2007
Christopher L. Bittman, Colorado, 1985	Grand Treasurer	2007
Joseph M. Baird, Florida Atlantic, 2007	National Director	2007
Brian J. Barclay, Loyola Marymount, 2006	National Director	2007
Phillip A. Cox, Indiana, 1984	National Director	2007
Stephen B. Shanklin, Murray State, 1970	National Director	2007
Bert J. Harris, III, Florida, 1974	National Director	2009
Jeffrey D. Prouty, Iowa State, 1978	National Director	2009
Richard W. Bennet, III, Central Missouri, 1974	National Director	2011
Garry C. Kief, Southern California, 1970	National Director	2011

Not in attendance:

Christopher S. Purdum, Wichita State, 2007	National Director	2007
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Headquarters staff in attendance:

Sean M. Anthony, Dartmouth, 2006	Director of Chapter Services
Aaron B. Dail, Murray State, 2006	Director of New Chapter Development
Gary L. Huff, Central Arkansas, 1991	Director of Volunteers
Christopher T. Minnis, Truman State, 2000	Director of Operations
Matthew B. Ontell, UCLA, 2005	Director of Member Development
Ryan J. Rastetter, Washington, 2006	Director of Expansion
Julie W. Ross, CPA	Controller
Travis J. Swanson, Kansas State, 2006	Director of Leadership Programs
Craig D. Templeton, Kansas, 1981	Executive Director
John D. Weir, Purdue, 2001	Managing Director, National Housing Corporation

Call to Order

The meeting was called to order by Grand President Archer L. Yeatts, III, at 7:50 a.m.

The invocation was delivered by Grand President Yeatts, followed by introduction of the staff in attendance by Executive Director Craig D. Templeton.

Grand President's Report

Housing Review Committee — The Grand President, with National Housing Corporation President Bert J. Harris, III, and Secretary-Treasurer Craig Templeton, reported on the meeting of the special committee to review the NHC's structure and ownership of chapter facilities by Limited Liability Companies owned by the NHC. The committee met with legal counsel in Richmond, Virginia, March 9, 2007. Legal counsel's first recommendation to the committee was to reconstitute the National Housing Corporation of Sigma Phi Epsilon Fraternity as an LLC rather than its current status as a 501(c)(2) corporation, as the NHC is operating beyond the scope of the (c)(2) guidelines in the areas of lending and property management.

Motion by Bert J. Harris, III: That the National Board of Directors accept the report of the Housing LLC Review Committee, including reconstitution of the National Housing Corporation of Sigma Phi Epsilon Fraternity to an LLC wholly owned by Sigma Phi Epsilon Fraternity.
Second by Phillip A. Cox
Adopted by unanimous voice vote

Brother Harris stated that he was continuing to review the Trust Agreement and would submit any proposed Bylaw amendments to the Board prior to its August meeting.

Treasurer's Report

Grand Treasurer Christopher L. Bittman reviewed financial statements through the third quarter of the fiscal year, March 31, 2007, indicating a sound financial position with expenses and revenues tracking according to plan. The Board requested the record indicate the Board's commitment to building a reserve fund for a new Headquarters facility.

The Grand Treasurer then presented his proposed Financial Plan for Fiscal Year 2008 (July 1, 2007-June 30, 2008), highlighting changes that include:

- a. Reduction of the Chapter Investment Fund and Journal Fund management fee from 50 basis points (\$72,664) to 25 basis points (\$36,332). The reduction correlates more accurately with the actual costs associated with managing the fund and the reduction of revenue would be offset by an increase in Carlson Leadership Academy chapter registration fees charged on fall bills, which, likewise, more accurately correlates to CLA costs.
- b. Other shifts of accounting procedures and policies moving allocation of certain expenses to appropriate or more clearly understandable areas of the plan, such as Journal subscription fees to the Journal Fund and Housing Loan Fund fees both going directly to those funds rather than showing up as revenue and expense on the plan.
- c. Personnel funding included for a database administrator position (already funded but presently outsourced) and a Director of Marketing Communications for Spring, 2008.

Motion by Bittman: To adopt the Fiscal Year 2008 Financial Plan as proposed.
Second by Richard A. Bennet, III
Adopted by unanimous voice vote

The Grand Treasurer proposed increasing the chapter registration charge for Carlson Leadership Academies. The CLA actual cost is about \$150 per participant. The current registration fee equates to \$45 per person (\$225 for four undergraduates and one volunteer from each chapter). The Educational Foundation Carlson Grant funds about \$65 per person. CLA budgets are under increasing pressure from

increased travel costs, efforts to increase participation by volunteers and continued increases in hotel meeting and food service costs.

Motion by Bittman: To increase the fall bill charge for chapter registration for Carlson Leadership Academies from \$225 to \$350, an increase of \$25 per person.

Second by Harris

Adopted by unanimous voice vote

The Grand Treasurer proposed the National Board of Directors set aside \$154,803 for educational program use by the Fraternity. Earnings of net investment income by the Fraternity must be set aside for appropriate educational use or be taxed. Each year, our accountants calculate our taxes on the basis of the Fraternity setting aside the maximum reasonable sum for such uses. The set aside fund is used for expenses related to employee and undergraduate member educational programs.

Motion by Bittman: That the amount of \$154,803 of the Fraternity's net investment income (\$136,673) and National Housing Corporation's net investment income (\$18,130) for the year ended June 30, 2007, be set aside from the general assets of the Fraternity, in a separate bank account known as the Fraternity Set Aside Account; and that the \$154,803 be used for the following purposes: scientific, literary or educational purposes; and for scholarships, Fraternity housing loans, leadership and citizenship schools and services, and other, similar purposes, all in accordance with §512(a)(3)(B)(I) of the Internal Revenue Code of 1986.

Second by Cox

Adopted by unanimous voice vote

Executive Director's Report

Executive Director Craig Templeton reviewed the progress of a number of initiatives, including personnel staffing; partnerships with host universities, including courses for credit in conjunction with chapter leadership programs and partnerships with educational and fitness providers to supply SigEp Residential Learning Communities and chapters with special member benefits and training equipment; Residential Learning Communities investigating study abroad opportunities for the Fraternity's involvement; and overall progress toward achieving the objectives of the 2011 Strategic Plan.

Study Abroad — The Board discussed coordinating efforts of the National Leadership Committee in connecting all Fraternity groups working on study abroad programming. The Grand President was directed to appoint a study group to evaluate:

- a. The current impact of study abroad programs on our chapters and their membership.
- b. Options to integrate Fraternity programming into existing or potential study abroad programs.
- c. Evaluation of the feasibility and/or viability of a potential SigEp Residential Learning Community abroad, as proposed for Sias International University in China and Oxford University in England.

The Board endorsed efforts to broaden academic partnerships with host universities such as Oklahoma State's offering of course credit and a certificate in Leadership Studies as a part of the Fraternity's programs.

Director of Operations Christopher T. Minnis provided an analysis of the Fraternity's membership recruitment, including projections and delivery of Leadership Continuum programs. The Board requested

greater insight each year into plans for opening new chapters, with the staff's analysis of the campus community, vitality of the Greek system and potential for Sigma Phi Epsilon on proposed campuses.

Director of Chapter Services Sean M. Anthony reviewed the Board's reports and proposals for charter action. The Board moved for individual consideration and vote for each.

Motion by Harris: To remove the Pennsylvania Eta Chapter at Pennsylvania State University from control of an Alumni Advisory Council, restoring chapter control to the chapter's volunteers.

Second by Stephen B. Shanklin

Adopted by unanimous voice vote

Motion by Shanklin: To continue Alumni Advisory Council control of the Ohio Zeta Chapter at Baldwin-Wallace College.

Second by Harris

Adopted by unanimous voice vote

Motion by Harris: To remove the Indiana Alpha Chapter at Purdue University from control of an Alumni Advisory Council, restoring chapter control to the chapter's volunteers.

Second by Cox

Adopted by unanimous voice vote

Motion by Shanklin: To continue Alumni Advisory Council control of the Wisconsin Zeta Chapter at Marquette University.

Second by Cox

Adopted by unanimous voice vote

Motion by Joseph M. Baird: To continue the suspension of the Alabama Beta Chapter at the University of Alabama.

Second by Harris

Adopted by unanimous voice vote

Motion by Cox: To continue the suspension of the Florida Theta Chapter at Jacksonville University.

Second by Harris

Adopted by unanimous voice vote

Motion by Shanklin: To suspend immediately the charter of the Michigan Delta Chapter at the University of Detroit-Mercy for indebtedness and poor academic performance.

Second by Harris

Adopted by unanimous voice vote

Motion by Kief: To immediately confirm the Executive Director's action of placing the California Beta Chapter at the University of Southern California under the authority of an Alumni Advisory Council for the purpose of a membership review and immediate re-organization of the chapter.

Second by Harris

Adopted by unanimous voice vote

Director of Chapter Services Sean Anthony reviewed staff reports and recommendations for the following charter actions:

Remove from Notice to Be Closed for Academics

California Upsilon, California State University-San Bernardino
Illinois Eta, Southern Illinois University-Edwardsville
Mississippi Gamma, University of Southern Mississippi
Montana Alpha, University of Montana
Texas Chi, Texas A & M University-Corpus Christi

Remove from Notice to Be Closed for Manpower

Arkansas Beta, Henderson State University
California Eta, University of California-Davis
California Upsilon, California State University-San Bernardino
Kentucky Beta, University of Louisville
Maine Alpha, University of Maine
New York Phi, Columbia University
Ohio Kappa, Bowling Green State University

Place on Notice to Be Closed, with one year to correct academic performance below the Fraternity's standard:

Alabama Theta, Jacksonville State University
Arizona Gamma, Northern Arizona University
Arkansas Alpha, University of Arkansas
Georgia Epsilon, Georgia Southern University
Illinois Epsilon, Northern Illinois University
Kansas Epsilon, Emporia State University
Michigan Eta, Michigan Technological University
Mississippi Alpha, University of Mississippi
Missouri Theta, University of Central Missouri
North Carolina Kappa, East Carolina University
Ohio Xi, Ohio University
Pennsylvania Nu, Thiel College
Tennessee Theta, Middle Tennessee State University

Remain on Notice to Be Closed, with six months to correct academic performance below the Fraternity's standard:

Michigan Zeta, Ferris State University

Place on Notice to Be Closed, with one year to increase manpower levels to minimum requirements:

Arizona Gamma, Northern Arizona University
Florida Zeta, University of Tampa
Indiana Delta, Indiana State University
Indiana Eta, Indiana Institute of Technology
Michigan Delta, University of Detroit-Mercy

Michigan Iota, Northwood University
Missouri Theta, University of Central Missouri
New York Gamma, New York University
New York Xi, University of Rochester
North Carolina Omicron, University of North Carolina-Greensboro
Ohio Epsilon, Ohio Wesleyan University
Ohio Lambda, Kent State University
Ohio Pi, Wright State University
Ohio Sigma, Case Western Reserve University
Pennsylvania Gamma, University of Pittsburgh
Pennsylvania Delta, University of Pennsylvania
Tennessee Kappa, University of Tennessee-Martin
Texas Epsilon, Lamar University
Utah Beta, University of Utah
West Virginia Gamma, Marshall University
Wyoming Alpha, University of Wyoming

Remain on Notice to Be Closed, with six months to increase manpower levels to minimum requirements:

Missouri Kappa, University of Missouri-Kansas City
New York Delta, Rensselaer Polytechnic Institute
New York Epsilon, SUNY-Buffalo
Pennsylvania Omega, LaSalle University
Texas Sigma, University of Texas-San Antonio
Virginia Xi, Old Dominion University

Motion by Harris: Adoption of the above recommendations by unanimous consent.

Second by Bittman

Passed with no objection

Director of Chapter Services Sean Anthony reviewed staff reports and recommendations for the following charter withdrawals:

Florida Epsilon, Florida State University
New Mexico Alpha, University of New Mexico
New York Eta, Buffalo State University
South Carolina Epsilon, Coastal Carolina University
Texas Eta, Sam Houston State University
Texas Omicron, Angelo State University

Motion by Kief: Adoption of the above recommendations by unanimous consent.

Second by Prouty

Passed with no objection

The Board recessed for lunch at noon, reconvening at 12:45 p.m. for a presentation by Sigma Phi Epsilon Educational Foundation Executive Director Douglas D. Scheibe of the Foundation's grant funding of Fraternity programs, staffing of the Foundation, progress on the housing fund-raising programs and plans for the Foundation's fund-raising efforts.

Grand President Yeatts advised the Board that he had met with National Director Bennet and Executive Director Templeton over lunch to discuss the Fraternity's study abroad possibilities and said he would invite National Leadership Committee Chairman Dr. Ron Binder, committee member Franklin "Bud" Robeson, Bennet and Templeton to study further and provide a report to the Board at a future meeting.

Old Business

Co-sponsorship of Events — The Board had requested staff and general counsel to provide a recommendation regarding co-sponsorship of campus events by chapters with other fraternities and/or sororities on campus. Concern had arisen out of claims for such events where circumstances may present risks beyond our chapters' control. The staff recommended no change to current policy, as the Fraternity's current risk management policies are sufficient to control such risk exposure and committed to continue improving education of chapter officers on the Fraternity's risk management policies.

Board Membership — At the November 3-4, 2006, meeting of the Board, Grand President Yeatts proposed changes to the Fraternity's Bylaws to provide that the Presidents of the National Housing Corporation (or LLC) and Educational Foundation serve automatically as ex officio members of the National Board of Directors.

Motion by Bennet: Unless a member of the Sigma Phi Epsilon Educational Foundation Board of Trustees or the National Housing Corporation of Sigma Phi Epsilon Fraternity Board of Trustees is duly elected to the National Board of Directors, that the Grand President shall invite a member of those Boards to all meetings of the National Board of Directors at the Fraternity's expense.

Second by Harris

Adopted by unanimous voice vote

Bylaws Amendment: Trial Appeals — The Grand President recommended the National Board of Directors propose amendment of Section B of the Sigma Phi Epsilon Administrative Policies and Procedures to the 50th session of the Grand Chapter in Atlanta, Georgia, August 8-12, 2007:

1. To include honorary brothers in the provision for membership trials.
2. To provide an appeal process as referenced in Paragraph 10.
3. To extend authority to prescribe penalties for violations of membership obligations to local chapter tribunals, as Paragraph 12 implies that only the National Board of Directors has such authority.

Motion by Bittman: To propose the Trial Appeals amendment to the Bylaws as recommended (Appendix A) and further that all references to "honorary" brothers and/or membership qualification in the Bylaws and Administrative Policies and Procedures be changed to "Renaissance" brothers and memberships, with all the same rights, privileges, responsibilities and procedures of membership jurisdiction.

Second by Shanklin

Adopted by unanimous voice vote

Naming Policy — At the November 3-4, 2006, meeting, the Board requested National Director Shanklin and Executive Director Templeton draft a proposed policy for naming rights of Fraternity programs, facilities and awards (Appendix B).

Motion by Shanklin: To modify the proposed policy by inserting the word "national" before the word Fraternity in both the first and last sentences of the proposed policy and adopt it as modified.

Second by Harris

Adopted by unanimous voice vote

Committee Reports

National Director Shanklin reported on the work of the Member Development Committee and staff to promote the Balanced Man Program, measure proficiency of member development programs for all chapters, and measure and increase the retention of members through college graduation.

Motion by Bennet: Modify the Fraternity's 2011 Strategic Plan "Being the Best" column to adopt a 2011 target of 60% of members remaining involved through graduation (persistence to graduation) and that the Member Development Committee establish a reasonable goal for overall chapter proficiency in member development.

Second by Prouty

Adopted by unanimous voice vote

National Director Bennet reported on the work of the National Leadership Committee and staff in developing and promoting the Leadership Continuum programs.

Motion by Shanklin: That the Fraternity officially adopt the "Leadership Challenge" curriculum and study work of Past National Director Barry Z. Posner and James Kouzes as the Fraternity's chosen curriculum for full integration into Leadership Continuum programs, including volunteer training programs.

Second by Harris

Adopted by unanimous voice vote

Director of Volunteers Gary L. Huff reported on the work of the Volunteers Committee and staff in developing and launching volunteer training programs and progress as called for by the Committee. Gary announced he had filled the database administrator position at Headquarters, called for by the Committee to improve our alumni data tracking capabilities, and presented other new proposals from the Committee.

Motion by Bennet: To adopt the Volunteer Recognition Awards as proposed by the Committee, with the Volunteer of the Year Award being named by the Executive Director in a situation of a District Governor vacancy (Appendix C).

Second by Shanklin

Adopted by unanimous voice vote

Motion by Bittman: To modify the Buchanan Outstanding Chapter Award criteria, beginning in 2009, to delete the requirement for a "Volunteer Board with at least six members" and change the requirement for an Alumni and Volunteer Corporation Board to read "...with at least five trained members" and add a requirement that the chapter and/or AVC provide recognition of volunteers annually.

Second by Bennet

Adopted by unanimous voice vote

Motion by Harris: To change the boundaries of Districts 22 (Arizona and New Mexico) and 26 (Southern California) to include metro San Diego chapters in District 22 to better balance the number of chapters and capitalize on the current District 22 District Governor Joe Montana's ability to serve the San Diego area with his business travel.

Second by Prouty

Adopted by unanimous voice vote

Next Meeting

The Board set its next meeting after Conclave for November 10, 2007, in Boulder, Colorado.

Executive Session

The Board reviewed and approved the reports of the Order of the Golden Heart and Citation selection committees.

The Grand President adjourned the meeting at 6:10 p.m.