



Collecting Membership Dues

The very first philosophical tenet of the Balanced Man Program is “equal rights and responsibilities.” An example of a right is being able to vote at chapter meetings or attend chapter events. An example of a responsibility is paying your fair share of dues, dues that make those events possible. The rights and responsibilities are linked. The chapter can’t continue to exist and have events if there is not sufficient money available.

When our members fall by the wayside, the chapter needs to intervene swiftly and fairly. In an ideal world, all members would pay in full and on time. This will not happen. Therefore, it is important for you to have policies and procedures in place to compensate. If you are unsure of your chapter’s policies and procedures, review the chapter’s bylaws or speak with your mentor for finance or Alumni and Volunteer Corporation (AVC) treasurer.

Some people believe it is unacceptable or “not brotherly” to remove a non-paying member when, in fact, not paying is a direct violation of our principles of Virtue, Diligence, and Brotherly Love. Why?

- Joining an organization means making a commitment to live up to its purpose and obligations. When our members do not pay and there are no consequences, they fail to learn an effective life lesson. Can you not pay your rent? Your credit card bill? Don’t let people slip through the cracks. It is not a virtuous trait to unfairly benefit from the work of others.
- Members paying on time must see the benefit in doing so. If non-paying members can participate in all activities, why should other members pay?
- The chapter must operate on a cash basis. No factor has as much effect on a chapter’s financial stability as the collection of members’ accounts. The chapter must have money in the bank to meet its expenses.
- Even a small minority of members owing money encourages non-payment by the rest of the chapter. This can quickly become a large problem.

- Remember that your brothers have asked you to do a very important job: make sure the chapter has the necessary funds to operate. It doesn't make you the "bad guy." You are acting on behalf of all your brothers to fulfill that role by ensuring everyone pays their fair share.

Collecting dues is not a new problem for chapters. SigEp has discovered what works by trial and error. You don't need to reinvent the wheel. The most effective technique is clear, consistent and on-going communication and enforcement of an escalating set of consequences for nonpayment.

COMMUNICATION

- Work with the vice president of recruitment to make sure the financial (and other) responsibilities of membership are clearly communicated during recruitment. You wouldn't buy a car without knowing what the payments will be!
- Use a membership agreement to outline the financial obligations of membership (sample available on [mySigEp](#)).
- Create and communicate a budget for the academic year, including the amount and due dates for dues by May 1 of the preceding academic year. Budgets are due to HQ through mySigEp on May 1st making it easy to communicate future financial obligations to brothers.
- Share a list of brothers who have not paid in your monthly financial reports to the chapter at each chapter meeting and AVC.
- Make dues bills due and payable on the first day of each term and make sure that brothers know they need to sign a payment plan before that date if they can't pay.

CONSEQUENCES

- 1 day late: implement a **10% fine** and schedule a one-on-one conversation with the brother. This mimics other financial obligations and SigEp's policy of 10% fine for being late.
- 20 days late: send a **letter to brother's parents** with a copy of the delinquent bill and send the brother to Standards.
- 30 days late: automatically **suspend** the brother from all activities.
- 60 days late: automatically expel the brother and send him to collections.

According to Article II (Membership), sections 31 to 43, of the Grand Chapter Bylaws

and Administrative Policies and Procedures, automatic suspensions (at 30-days late) and expulsions (at 60-days late) apply for indebtedness. Offering a choice between payment and loss of membership usually works. The 10% fine (at 1-day late) helps avoid many brothers getting to that point. By enforcing this policy, your chapter will increase the benefits to the members paying on time and will decrease the benefits to members owing the chapter money.

In short, if there are no consequences for nonpayment, some brothers will not pay. And when some brothers don't pay, the rest will notice. The key is a clearly communicated and consistently executed set of escalating consequences for nonpayment as outlined above. The effectiveness of the escalating consequences is greatly enhanced when dues are due in full on the first day of each term. The chaplain and standards board, the president, the vice president of programming and the vice president of recruitment are important allies for the vice president of finance in this effort.

Payment plans are often looked to as solutions for late payment. This tool should be used on a limited basis and must be established before the due date for membership dues. The final payment of the plan should be before midterms because the dues are needed to pay for events this term. You pay for a concert before you attend it, right? When establishing a payment plan, it is critical to keep a written record of the agreement signed by both parties. Additionally, the payment plan should stipulate that any missed payment cancels the plan and the entire outstanding balance is immediately due.