

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

**June 30, 2020
Via Conference Call**

National Directors in attendance:

Thomas B. Jelke, Ph.D., Florida International '90	Grand President
Billy D. Maddalon, North Carolina State '90	Grand Secretary
Daniel W. McVeigh, Texas Wesleyan '90	Grand Treasurer
Charles E. Amato, Sam Houston State '66	National Director
Bruce W. Anderson, Texas-Austin '71	National Director
David R. Calderon, Cal Poly Pomona '88	National Director
Bradley C. Nahrstadt, Monmouth '89	National Director
Greg A. Pestinger, Kansas State '86	National Director
Frederick V. Augur, Connecticut '20	Student Director
Keaton Dornath, Kansas '21	Student Director
Jacob H. West, Missouri State '20	Student Director

Headquarters staff in attendance:

Brian C. Warren Jr., Virginia '04	Chief Executive Officer
Zac Gillman, Austin Peay State '15	Fraternity Managing Director
Paul K. Andersen, Northern Iowa '16	Fraternity Services Director
Heather Kirk	Chief Communications Officer
Joe Budde	Chief Information Officer
Jennifer Meals	Finance Director

Call to Order

Grand President Thomas Jelke called the meeting to order at 3:00 p.m. Eastern time on Tuesday, June 30, 2020.

Diversity and Inclusion Task Force Report

Diversity and Inclusion Task Force Chairman Troy Hanson presented the report of the task force.

National Director David Calderon motioned to continue the task force's important work by creating a Diversity, Equity and Inclusion Committee with a refined charge created by a working group of directors and staff.

National Director Greg Pestinger seconded the motion.

The motion passed by unanimous vote.

Growth Task Force Report

Growth Task Force Chairman Eric Lauterbach presented the report of the task force. Lauterbach underscored the importance that recruiting diverse and talented new members has on organizational culture and success. He also emphasized that expansion and taking the SigEp experience to new campuses is a critical part of growth. Lauterbach challenged the board and the staff to make recruitment the organization's top priority. He encouraged the staff and board to ensure staffing and other resource allocation decisions reflect that prioritization. Lauterbach also suggested that SigEp consistently evaluate the Balanced Man Program (BMP) and consider whether the messaging can be simplified and made clearer for this generation of college students.

National Director Bradley Nahrstadt motioned to establish a Growth Committee to advance the Fraternity's membership objectives, and for the Grand President and CEO to refine the committee's charge and membership accordingly.

National Director Calderon seconded the motion.

The motion passed by unanimous vote.

Fiscal Year 2020 Financial Statements

CEO Warren presented the Fraternity's income statement and balance sheet through March 31, 2020.

Warren noted that campus shutdowns and the conversion to virtual learning created significant disruption to spring and year-round recruitment efforts. He set an expectation for variable membership fees because of COVID-19 uncertainty for the remainder of the fiscal year. Warren assured directors that non-member revenue sources, specifically grants and royalties, will be substantial in the fourth quarter.

Warren went on to summarize the expense reductions that were put into place to ensure a year-end surplus. He highlighted a personnel reduction, a travel freeze and cancelation of in-person programs.

On the balance sheet, Warren noted a slight decrease in total assets due to a decrease in membership and market performance. However, decreases in liabilities, particularly accounts payable and self-insurance reserves, yielded a slight increase in net assets.

Fiscal Year 2021 Insurance Portfolio

CEO Warren shared the Fraternity's renewal proposal, as presented by the Fraternity's broker, Holmes Murphy. The Fraternity received a 2 percent increase, on a per-man basis, for the general liability policy and a flat renewal for the excess liability policy. The member accident protection policy was quoted at an 18 percent increase. Warren went on to share that, given the

uncertainty in higher education, SigEp and Holmes Murphy are working on a unique premium payment model with each of the carriers.

Grand Treasurer Daniel McVeigh assured the directors that SigEp would find a way to decrease both the fall and spring bills, and support SigEp chapters and members through this period of uncertainty.

Fiscal Year 2021 Budget

CEO Warren proposed a budget to guide the Fraternity's 2021 fiscal year. The proposed budget yields a slight surplus at year-end. Substantial cuts were made to both revenues and expenses, relative to the prior year, because of uncertainties surrounding COVID-19 and implications for enrollment, campus activities, and other variables affected by health and financial circumstances. Revenues and expenses are budgeted at roughly 80 percent of the prior year.

The primary reasons for the decrease in revenues are projected declines in membership and a reduction in fees, as well as a decrease in both the Journal and SigEp Educational Foundation grants. The primary reasons for the decrease in expenses are elimination of programs, a freeze on travel and a reduction of staff.

Warren emphasized that the staff was taking action to ensure the support and value provided to members and chapters would not suffer, despite the decrease in resources.

National Director Nahrstadt motioned to adopt the budget as presented.

Student Director Van Augur seconded the motion.

The motion passed by unanimous vote.

Washington–St. Louis SEC Chartering Petition

Student Director Augur motioned to approve the chartering of the Washington–St. Louis SEC as the Missouri Beta chapter of Sigma Phi Epsilon, with an expectation that the chapter has recruited a non-fraternity member to the AVC.

National Director Nahrstadt seconded the motion.

The motion passed by unanimous vote.

SENH Policies: Equity Management Fund and Housing Loan Fund

CEO Warren summarized actions taken by the SigEp National Housing directors to modify SENH policies and procedures guiding the administration of the Equity Management Fund and Housing Loan Fund.

Grand Secretary Billy Maddalon motioned to ratify SigEp National Housing's revisions to the Equity Management Fund policy.

Grand Treasurer McVeigh seconded the motion.

The motion passed by unanimous vote.

Adjournment

Grand President Jelke adjourned the meeting at 4:32 p.m. Eastern time.