

Alpha Chi Sigma Fraternity

Professional in the Chemical Sciences

Office of the
GRAND RECORDER



John N. Stipp
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2024 Annual Report of the Grand Recorder January 11, 2025

*“The only limit to our realization of tomorrow will be our doubts of today.”
– Franklin D. Roosevelt*

Overview

The Grand Recorder is the Grand Chapter officer appointed by the Supreme Council who is responsible for the Grand Chapter Records, National Office Operations, Grand Chapter Finances, Federal / State Compliance activities, as well as any other items assigned by the Supreme Council or the Grand Chapter. The following is a summary of those activities for 2024 broken down into various sections by each of the aforementioned areas of responsibility.

Grand Chapter Records

Chapter and Membership Numbers

As of this writing the Fraternity has initiated 80,587 members since its founding in 1902. We have 60,659 living members. The breakdown of our Active Chapters and Groups are as follows:

54 Active Collegiate Chapters
1 Active Collegiate Group

6 Active Professional Chapters
15 Active Professional Groups

Two Collegiate Chapters were declared inactive in 2024: Alpha Alpha, and Alpha Epsilon. The Grand Chapter property has been recovered from Alpha Alpha. Alpha Epsilon has been unresponsive and our chances to recover the Grand Chapter property from there appears slim. No monies from Alpha Alpha or Alpha Epsilon were recovered.

The Chicago Professional Chapter was declared inactive in 2024.

In 2024 the Fraternity pledged 1115 and initiated 1086. The numbers of pledges and initiates have been relatively flat for the past three years following the COVID-19 pandemic.

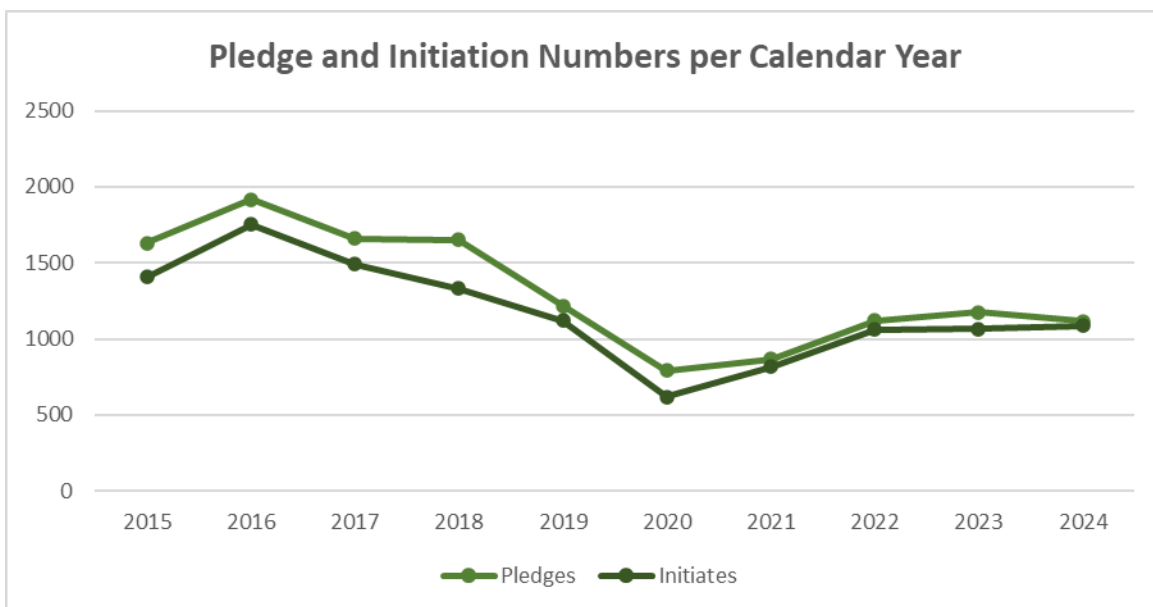
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Professional Representative Election

Part of the annual solicitation involves the election of the Professional Representatives. The candidates and the vote tally for the 2025-2026 Professional Representative election was as follows:

Dr. Jennifer Schnippert, *Gamma Beta* 2003 – 84
David Harrington, *Alpha Kappa* 1985 – 75
William Courtney, *Delta* 1991 – 69
Dr. Sandra Lukaszewski-Rose, *Alpha Theta* 1995 – 67
Stephanie Bates, *Alpha Rho* 1995 – 60
Olivia Hathaway, *Alpha Kappa* 2021 – 58
Lauren Abbott, *Alpha Kappa* 2013 – 54
Tiffany Matyja, *Delta Xi* 2017 – 39
Daniel Znidersic, *Alpha Epsilon* 2003 – 38
Nichole Pawlowski, *Gamma Psi* 2011 – 36
Alexander Jones, *Delta Delta* 2021 – 35
Kelly Tinney, *Alpha Omega* 2011 – 34
Geoffrey Giarmo, *Alpha Beta* 2003 – 34
Randi Ress, *Gamma Nu* 2008 – 30

Brothers Schnippert, Harrington, Courtney, Lukaszewski-Rose, and Bates will serve as Professional Representatives from January 1, 2025 to December 31, 2026. The Fraternity is grateful to all the candidates for their willingness to serve the Fraternity.

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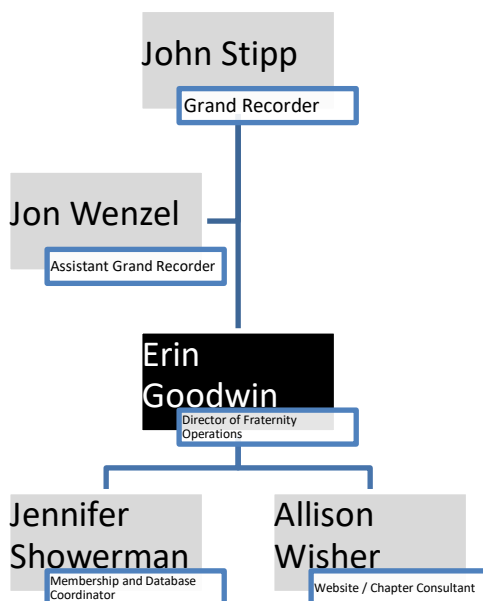
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National Office Operations

The National Office continues to be staffed with Erin Goodwin working full-time, Jennifer Showerman, Zeta 1992, OA working part-time, with support from Allison Wisner when needed.

With a small staff size, some services and functions are outsourced. This ensures that we have these functions managed in a cost-efficient manner while maintaining expertise in the various subject matter areas. Our bookkeeping / accounting services are managed by inDinero, and our IT hardware and backup services are managed by Byte Café.

National Office Organization Chart – January 2025



Employees Located at 6296 Rucker Road, Indianapolis, IN
Employees or Consultants (Working Fully Remotely)

Fraternity Webpage and CRM Database Modernization

The Fraternity's webpage is long overdue for an update. This is a challenge to implement as the webpage is managed by the same provider as our Customer Relationship Management (CRM) database (Blackbaud). This creates issues as we are greatly limited by the webpage format and functionality. In addition to the dated format / functionality, we are bound by the providers' often changing password requirements, which has caused frustration and accessibility issues for many of our Brothers.

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Blackbaud's contract terms are generally three years in length. Those contracts are expiring in December 2025 and February 2026, which provides us an opportunity to explore other options.

The Fraternity has been running Blackbaud's Raiser's Edge 7 (RE7) for its' CRM for the past decade. The database is housed on a computer physically located at the National Office. With RE7 not being cloud based, we operate in an environment where Erin, Jen, and Allison must "remote in" to the office to use a computer physically located at the National Office. If there are any issues with power at the office or some other network disruption at any hours of the day, that requires that Erin go into the office and fix the problem / restart a computer. This also means that we need two computers per employee to work remotely. One with the employee and one physically at the office. This system does function acceptably for us today; however, it is outdated.

Any change we make to the CRM and the Webpage are large projects that need to take place in a non-Conclave year. We simply do not have the staff to be able to make a conversion of that nature and do all of the work required for Conclave at the same time. We would also want to convert systems while both were available in case any issues arise with the conversion to the new systems. Performing a hard conversion with both systems at a predetermined go-live date carries a lot of risk, and will be avoided.

Erin has spent many, many hours of research since Conclave to explore the different nonprofit CRM solutions on the marketplace today. Erin performed the initial screening / speaking to the provider, and then, if the system appeared promising, Erin and Jen would then sit through a presentation and demo from the various providers. Out of eight systems seriously evaluated, the best option from cost, customer service, and feature standpoints for the Fraternity is a CRM called Bloomerang. Bloomerang is cloud based, easier to use than RE7, and provides additional tools to help communicate with and engage our donors. This could open opportunities to increase our number of donors and the amount received from the annual solicitation.

Erin, Jen, and Allison will be spending significant time transitioning the CRM to Bloomerang and transitioning to the new webpage in 2025. The go-live dates have not been established, but they will need to happen prior to December 31, 2025, when the first of the Blackbaud / RE7 service contracts expire. That will limit our ability at the National Office to do a lot of extra projects during 2025, but that is not unexpected due to our small staff size, and the importance of the CRM and webpage to the Fraternity operations.

The Fraternity is looking at running the new CRM and the new webpage exclusively in 2026. All of our systems at that point should be cloud based. That would remove the requirement for employees to "remote in" to a computer at the office. That would also allow us to reduce the amount of physical hardware than we have today. That could also allow us to reduce our support costs from Byte Cafe as there would not be as much physical equipment to maintain.

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With our current estimates, the annual cost of our software / licenses would go from \$32.902 per year in 2024 to \$23,673 per year starting in 2026. 2025 will be a transition year with costs estimated at \$68,902, with those additional costs covered from the CAPEX funds*. A \$9,000 annual cost reduction from the 2024 current costs is a welcome benefit to the Fraternity's future budgets. That cost savings only includes the cost of software / licenses, mainly from not having to have other software to interface with Blackbaud / RE7. Those cost savings do not include intangibles like reduced Byte Cafe service costs, reduced electricity costs, etc.

**Many corporations, including Alpha Chi Sigma will budget or set aside funds designated for Capital Expenses, or CAPEX. This is to ensure that funds are available for large purchases that the corporation needs for their operations. The Fraternity began setting aside funds in a Morgan Stanley Money Market account for CAPEX expenses in 2018. That was done to pay for large purchases out of the CAPEX funds instead of having to use funds from the Reserve Fund.*

Further detail on our software and licenses are shown in the following tables, along with the cost to the Grand Chapter per year.

2024 Software and Licenses

	Software / License	Function	Annual Cost	Location	Backup
Database / Information Storage	Raiser's Edge	Membership Database	\$9,096	N.O. Hard Drive	Carbonite
	BB Net Community	Payment Processing for online donations	\$10,920	N.O. Hard Drive	Carbonite
	Omatic	Tool to import data into RE	\$4,130	Cloud	Cloud
	Shared Drive (P:)	National Office Data Storage	None	N.O. Hard Drive	Carbonite
	Formsite	Tool for data collection	\$780	Cloud	Cloud
Accounting / Bookkeeping / Payroll	Quickbooks Online	Bookkeeping / Accounting	\$540	Cloud	Cloud
	Gusto	Payroll	Transaction Based	Cloud	Cloud
	Bill.com	Payment Services / Financial Control	Transaction Based	Cloud	Cloud
	Venmo	Digital Payment Services	Transaction Based	Cloud	Cloud
	Eventbrite	Conclave Planning	\$3,610	Cloud	Cloud
Communications	Microsoft 365	Word, Excel, PowerPoint, etc.	Covered under Byte Café	N.O. Hard Drive	Carbonite
	G Suite	E-Mail, Shared Documents and Files	None	Cloud	Cloud
	Website	Website	Covered Under BBNC	Cloud	Cloud
	Zoom	Conference Call Services	\$1,000	Cloud	Cloud
Marketing / Graphic Design	EMMA	Newsletter Publishing / Tracking	\$2,190	Cloud	Cloud
	Adobe Creative Cloud	Graphics / Document / Publishing	\$636	Cloud	Cloud
TOTAL ANNUAL COST 2024			\$32,902		

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2025 Projected Software and Licenses

	Software / License	Function	Annual Cost	Location	Backup
Database / Information Storage	Raiser's Edge	Membership Database	\$9,096	N.O. Hard Drive	Carbonite
	BB Net Community	Payment Processing for online donations	\$10,920	N.O. Hard Drive	Carbonite
	Omatic	Tool to import data into RE	\$4,130	Cloud	Cloud
	Shared Drive (P:)	National Office Data Storage	None	N.O. Hard Drive	Carbonite
	Formsite	Tool for data collection	\$780	Cloud	Cloud
	Bloomerang	Membership Database	\$6,000	Cloud	Cloud
Accounting / Bookkeeping / Payroll	Quickbooks Online	Bookkeeping / Accounting	\$540	Cloud	Cloud
	Gusto	Payroll	Transaction Based	Cloud	Cloud
	Bill.com	Payment Services / Financial Control	Transaction Based	Cloud	Cloud
	Venmo	Digital Payment Services	Transaction Based	Cloud	Cloud
	Eventbrite	Conclave Planning	\$3,610	Cloud	Cloud
Communications	Microsoft 365	Word, Excel, PowerPoint, etc.	Covered under Byte Café	N.O. Hard Drive	Carbonite
	G Suite	E-Mail, Shared Documents and Files	None	Cloud	Cloud
	Website - BBNC	Website	Covered Under BBNC	Cloud	Cloud
	Zoom	Conference Call Services	\$1,000	Cloud	Cloud
	Website - Angel Oak	Website Development	\$30,000	Cloud	Cloud
Marketing / Graphic Design	EMMA	Newsletter Publishing / Tracking	\$2,190	Cloud	Cloud
	Adobe Creative Cloud	Graphics / Document / Publishing	\$636	Cloud	Cloud
TOTAL ANNUAL COST 2025			\$68,902		

2026 Projected Software and Licenses

	Software / License	Function	Annual Cost	Location	Backup
Database / Information Storage	Bloomerang	Membership Database	\$20,162	Cloud	Cloud
	Shared Drive (P:)	National Office Data Storage	None	N.O Hard Drive	TBD
	Formsite	Tool for data collection	\$780	Cloud	Cloud
Accounting / Bookkeeping / Payroll	Quickbooks Online	Bookkeeping / Accounting	\$540	Cloud	Cloud
	Gusto	Payroll	Transaction Based	Cloud	Cloud
	Bill.com	Payment Services / Financial Control	Transaction Based	Cloud	Cloud
	Venmo	Digital Payment Services	Transaction Based	Cloud	Cloud
Communications	Microsoft 365	Word, Excel, PowerPoint, etc.	Covered under Byte Café	N.O. Hard Drive	TBD
	G Suite	E-Mail, Shared Documents and Files	None	Cloud	Cloud
	Website - Angel Oak	Website	\$555	Cloud	Cloud
	Zoom	Conference Call Services	\$1,000	Cloud	Cloud
Marketing / Graphic Design	Adobe Creative Cloud	Graphics / Document / Publishing	\$636	Cloud	Cloud
TOTAL ANNUAL COST 2026			\$23,673		

Budget and Finances

Fraternity Fund Overview

The Fraternity has three funds where money is held.

- The General Operating Fund is the account used in day-to-day operations of the Grand Chapter. These funds are located at the National Bank of Indianapolis.

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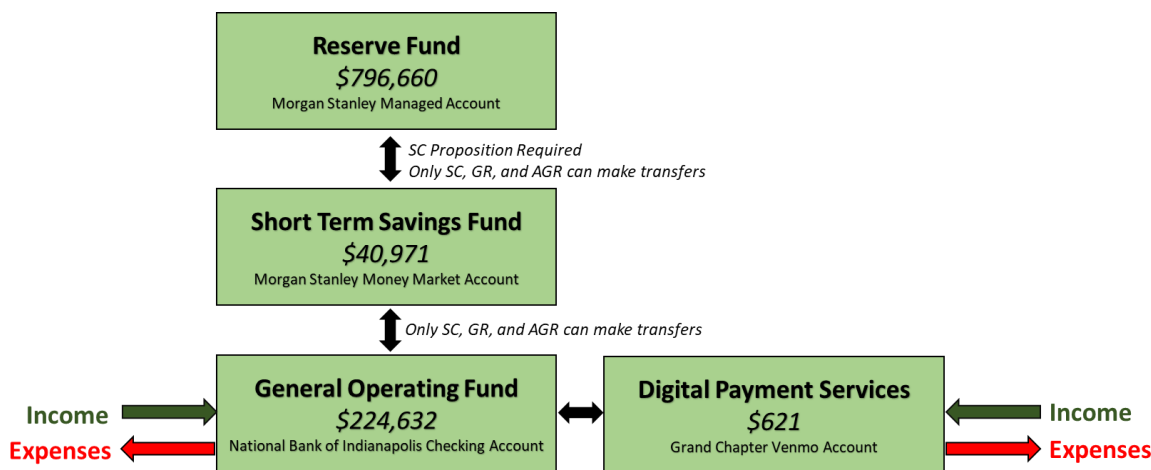


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- The Reserve Fund is required in the Constitution Article II Section B.I.g. The Reserve Fund is held in a managed investment account at Morgan Stanley. The funds in the Reserve Fund are available for use in emergencies, or to supplement the General Operating Fund if needed.
- The Short-Term Savings Fund was established by SC Proposition 4682. The Short-Term Savings Fund is held in a money market account at Morgan Stanley and is used as a bridge account between the Reserve Fund and the General Operating Fund. It also holds monies set aside for Capital Expenses (CAPEX).

The popularity of Digital Payment Services continues to grow. More and more of our members and chapters are using these services to easily send money to the Grand Chapter for payments and donations. Additionally, these types of services are being used by the Grand Chapter for payments to our members for travel reimbursement and for 5% payments to chapters from the solicitation. The Grand Chapter has a Venmo account managed through the National Office for Digital Payment Service transactions.

A breakdown of the Fraternity's fund structure, accounts, and balances as of December 31, 2024 are illustrated in the following diagram:



*All balances as of December 31, 2024. Balances are unaudited.

General Operating Fund Income Summary

The Fraternity obtains income from multiple sources. The primary source of income for the Fraternity comes from fees and surcharges for new members. The Fraternity also regularly receives income from Professional Donations, and sales of Fraternity merchandise from the online store.

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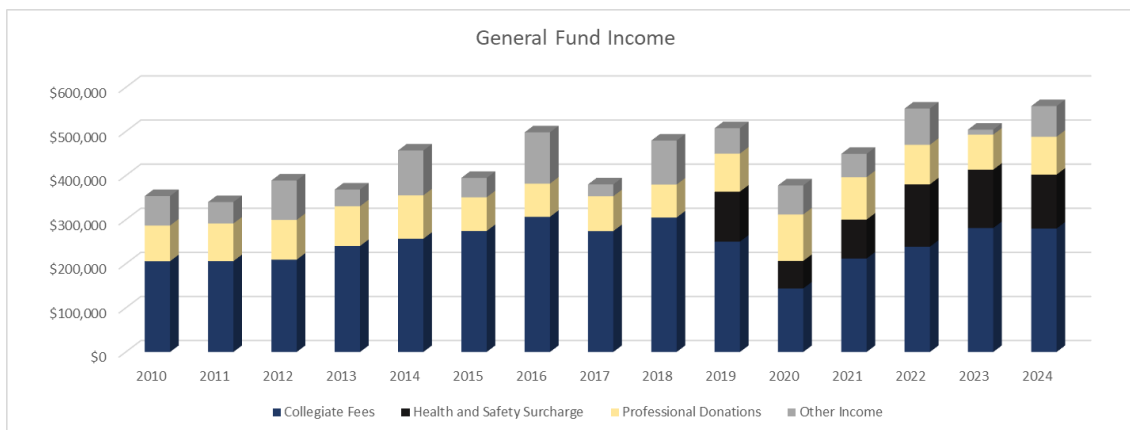
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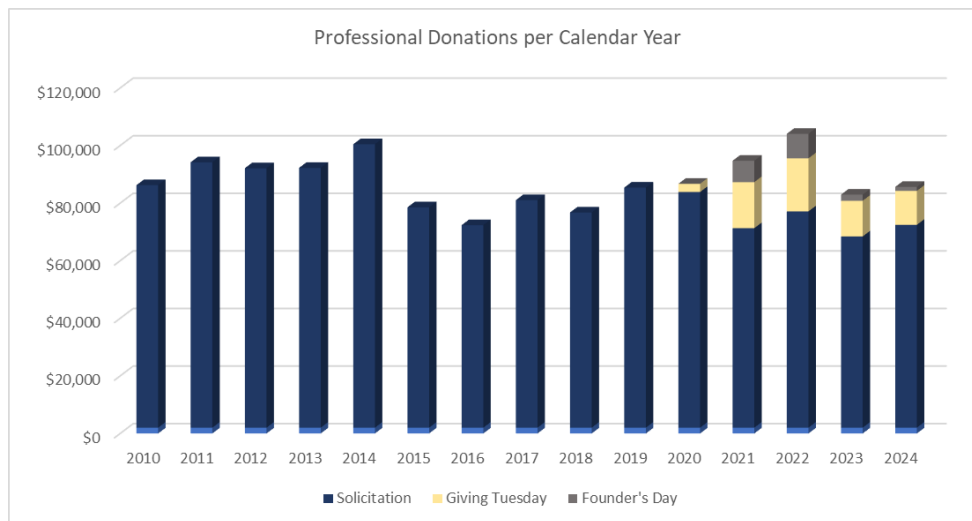
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A breakdown of the various sources of income for the Fraternity is illustrated below:



- Collegiate Fees consist of the Pledge Fees and Lifetime Membership Fees
- Health and Safety Surcharge was implemented in 2019 and covers the cost of the Fraternity's Insurance
- Professional Donations are donations received from Professional Members
- Other Income includes Conclave Receipts, Reserve Fund Withdrawals, Affinity Programs, and PPP Forgivable Loans

Professional donations to the Fraternity for the past fifteen years are shown in the following figure:



- Donations include monetary donations only. Gifts-in-Kind donations from members are not included.

Total monetary donations from Professional members totaled \$85,982 in 2024. Giving Tuesday efforts yielded \$12,067 in donations to the Fraternity and Founder's Day efforts yielded \$3,471 in donations to the Fraternity.

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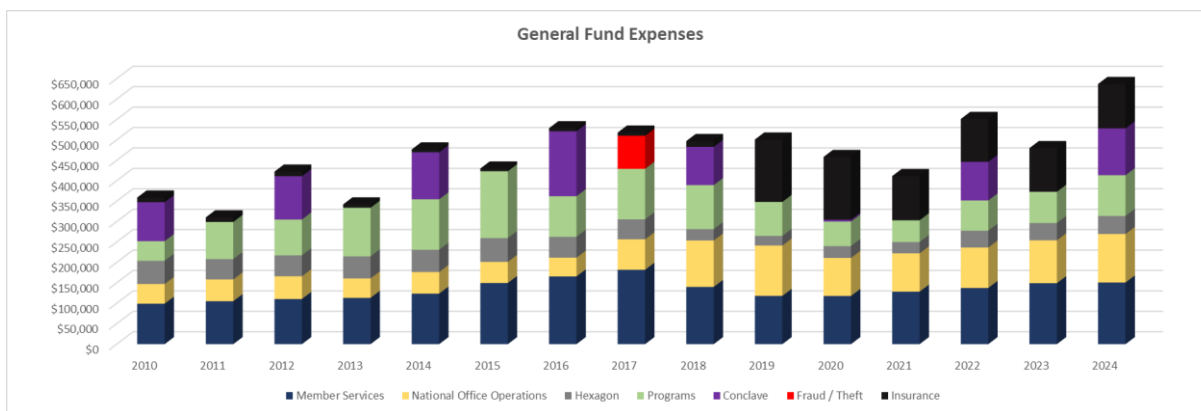


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General Operating Fund Expense Summary

The Fraternity has a variety of expenses required to operate and serve its members. Those expenses have been categorized into six main categories for comparison. Member Services, National Office Operations, The *Hexagon*, Conclave, Insurance, and Programs. Conclave is a costly event for the Fraternity, so expenses for even numbered years are higher than odd numbered years.

A breakdown of the Fraternity's expenses by these categories is shown below:



- Member Services includes salaries, consultant fees, GR and AGR stipends, FICA, Social Security, and State Payroll Taxes
- National Office Operations includes outsourced services, 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
- Fraud / Theft includes embezzled funds from former staff and related legal expenses for identity and data theft in 2017
- Insurance includes cost for all insurance policies (GL, D&O, Workman's Comp., and Property / Building)

Expenses have been higher in recent years due to inflation and not due to the Fraternity taking on any large additional costs.

General Operating Fund Income vs. Expense Summary

The following figure illustrates the difference between income and expenses for the General Operating Fund. From a financial perspective, this is the most important chart in this report.

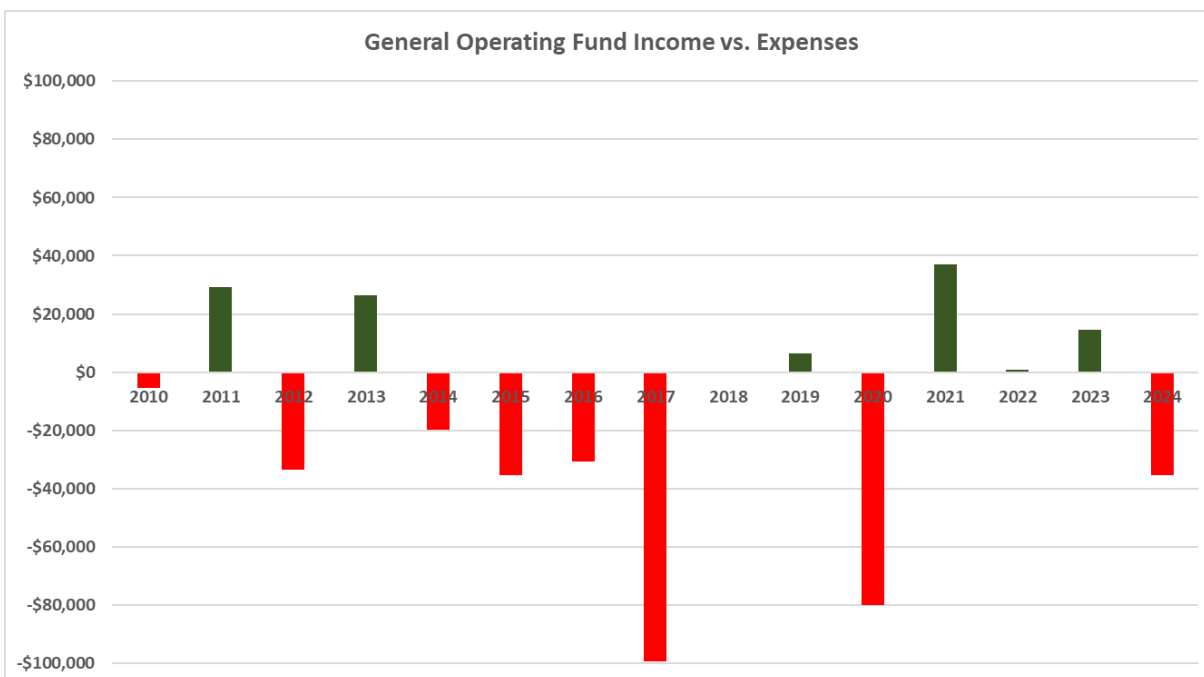
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Although the Fraternity is a nonprofit corporation, it still needs to have sufficient funds available to pay for its' expenses. As with other nonprofit (and for profit) corporations, if the Fraternity runs out of money, it will go out of business and cease to exist. Expenses in even years are typically higher than odd years due to Conclave costs. Ideally, the Fraternity should break even during even years and earn a profit in odd years to help increase reserves for unexpected financial stresses, such as large unplanned expenses, pandemic outbreaks, etc. With limited income streams, this pattern needs to be monitored, and fees and expenses adjusted as needed to ensure that we are not using up our reserves on operating expenses.

Expenses in 2024 were \$35,419 more than the Fraternity's income. Conclave years are more challenging from a budget standpoint due to the cost of the event. The 2024 budget had planned for the Fraternity to have \$28,616 more in expenses than income, so overall, the actual income and expenses for the year were close to expectations.

Reserve Fund Summary

The Reserve Fund is held in the managed account at Morgan Stanley. The Fraternity has not withdrawn any funds from the Reserve Fund since 2020. \$7,235 was transferred into the Reserve Fund in 2024 from donations received in 2023 designated for the Reserve Fund. Investment performance was good in 2024 with the Reserve Fund gaining \$54,378 in 2024 from investments.

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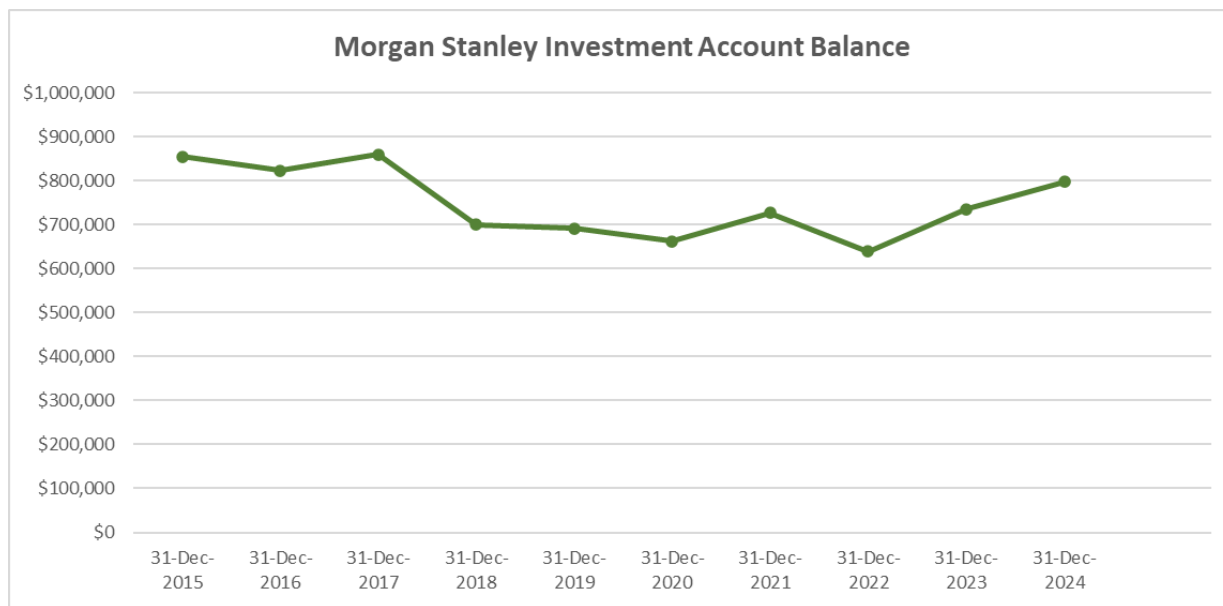
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The balance of the Morgan Stanley managed account over the past ten years is shown below:



Ideally, a nonprofit corporation should have one to two years of operating expenses in reserves. Assuming annual operating expenses of \$550,000, we currently have 1.4 years of operating expenses in reserves. As such, we should continue to do our best not to use the Reserve Fund for operating expenses so that those investments can continue to grow.

\$6,007 was received from donors in 2024 designated for the Reserve Fund and that \$6,007 will be transferred into the Reserve Fund in 2025.

Pledge and Lifetime Membership Fees

The Pledge and Lifetime Membership fees were increased at the 2024 Conclave to a \$65 Pledge Fee and a \$200 Lifetime Membership Fee to keep pace with inflation and rising costs.

Health and Safety Surcharge

The Health and Safety Surcharges remained unchanged from 2023 at \$20 (Pledge) and \$90 (Lifetime) to cover the costs of the Fraternity's insurance coverage. Those surcharges are sufficient to cover the cost of the Grand Chapter's insurance.

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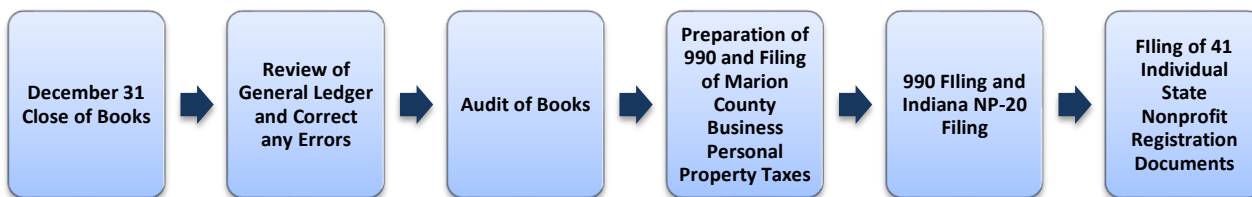
	2021	2022	2023	2024	2025 Projected*
Health and Safety Surcharge (Pledge)	\$35	\$35	\$35 Spring \$20 Fall	\$20	\$20
Health and Safety Surcharge (Initiate)	\$95	\$95	\$95 Spring \$90 Fall	\$90	\$90
Total Income from Health and Safety Surcharges	\$88,231	\$141,545	\$132,378	\$122,364	\$119,130
Total Insurance Cost	\$109,063	\$104,912	\$106,709	\$108,618	\$112,168
Difference	-\$20,832	\$36,633	\$25,669	\$13,746	\$6,962

*2025 Projection based on 1137 Pledges and 1071 Initiates

Compliance Activities

As a 501(c)3 not-for-profit corporation, Alpha Chi Sigma is required to maintain compliance with Federal and State laws and regulations. Those activities consist of filing Federal and State Tax forms (IRS 990, Indiana NP-20, and Marion County Business Personal Property Taxes), compliance with various employment laws and regulations (Federal, Indiana, and Illinois), implementation of various policies required by law, and filing State Nonprofit Registrations.

A simplified flowchart of the annual compliance activities required for the Grand Chapter are shown in the flowchart below:



The audit and 990 filings were completed in 2024 by Agresta, Storms, and O'Leary. We continue to work with Clearly Compliant for our State Registrations. We intend to use Clearly Compliant and Agresta, Storms, and O'Leary in 2025 as both companies have been very responsive, thorough, and easy to work with.

National Office Operational Policies Review

2024 saw the completion of the review and update of all our operational policies. Those will continue to be reviewed and updated as needed.

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Action on 57th Biennial Conclave Grand Chapter Motions

At the 57th Biennial Conclave, the Grand Chapter passed the following Motions that fall under the Grand Recorder's office.

Motion 16 – Standardized Contact Method for Members

AGR Wenzel has explored this in detail and his analysis and findings can be found in the AGR 2024 Annual Report.

Motion 34 – Socially Responsible Investment Options

Analysis and recommendations are due to the Supreme Council at the Summer 2025 meeting. Initial information has been obtained from Morgan Stanley. From a high-level viewpoint, I believe that the trick is going to be to understand what socially responsible investment options are available, that do not limit the Fraternity investing in fields where our Professional members work. Many fields where our Brothers work such as the chemical industry, polymers, mining, etc. are not looked on favorably by the general public. In addition to educating the public as to the benefits of the chemical sciences, Alpha Chi Sigma needs to be investing the Reserve Fund in areas where our members work to ensure that we align with the Fraternity's Three Objects.

Motion 38 – Virtual Career Fairs

AGR Wenzel has explored this in detail and his analysis and findings can be found in the AGR 2024 Annual Report.

Conclusions

2024 was not the best year for the Fraternity financially. Ideally, we should have broke even in a Conclave year, which we managed to do in 2018 and 2022. The Professional Members need to contribute more to the Fraternity to help remove some of the burden from the Collegiates. Alternatively, other income sources need to be identified. There has been much talk about this off and on over the years; however, as an organization, we have no shortage of generating ideas. Execution is where we typically fall short.

2025 will be a busy year for the National Office staff with the upcoming CRM and webpage transitions. Those activities will require significant effort; however, we expect to have a better webpage experience for our members and a more modern CRM system for our employees once the projects are complete.

I continue to be humbled and honored to serve the Fraternity as Grand Recorder. Since being appointed to that position in 2017, our team has faced and overcome many challenges. This is due to our fantastic team members and their excellent work ethic. Assistant Grand Recorder Jon Wenzel,

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Director of Fraternity Operations Erin Goodwin, Membership / Database Coordinator Jennifer Showerman, and Website / Chapter Consultant Allison Wisher always go above and beyond expectations to make sure that deadlines are met and that things are done properly. The Fraternity is very fortunate to have such a dedicated and talented team managing the Grand Chapter operations. I am looking forward to another successful year working with them all.

Yours in the Double Bond,



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