

# ACTIONABLE COMMITTEE REPORTS



THE HONOR  SOCIETY OF  
PHI KAPPA PHI  
2010 NATIONAL CONVENTION  
**& TRADITIONS  
& TRANSITIONS**  
*Responding to a World of Change*



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

## Report of the Budget Committee to the 2010 Convention

*Members of the Budget Committee for the 2007-2010 Triennium were: Dr. William A. Bloodworth, Jr. (Society President Elect and Committee Chair), Dr. Diane Smathers (Society Vice President), Dr. Paul J. Ferlazzo (Society Immediate Past President), Mr. C. Roy Blackwood (Director of Fellowships), Dr. Alan Hovestadt (Member-at-Large), Dr. Perry A. Snyder (Executive Director) and Dr. Robert B. Rogow (Society President). Mrs. Lourdes R. Barro (Associate Executive Director and Chief Financial Officer) participated in all Budget Committee meetings.*

As directed by the Bylaws, the Budget Committee met twice a year to review the annual budget and financials; to recommend to the Board increases in staff salaries; and to review and revise the proposed 2010-2012 Biennial Planning Budget prepared by the Headquarters staff in consultation with the Budget Committee Chair. Included in this book is a copy of the 2010-2012 Biennial Planning Budget and related charts. Subsequently, the Budget Committee met jointly with the Budget Advisory and Review Committee in April 2010 to further review the planning budget for the upcoming biennium.

In compliance with the Society Bylaws, the Society and the Foundation books were audited annually by Postlethwaite and Netterville, Certified Public Accountants. Each year of the triennium the audited financial statements received an unqualified opinion. A copy of the 2008-2009 Audit Report is included in this book. Members of the committee met twice with the auditors.

During the triennium, the Budget Committee made the following recommendations for budget revisions:

- Expenses were adjusted to reflect the integration of the Forum budget with the Society Headquarters' budget.
- Return on investment was adjusted to reflect the severe financial crisis.
- Initiation fees were increased by \$5 to offset the rising cost of emblems and credit card fees related to new initiate transactions.
- A \$75 discount for senior active-for-life memberships was approved.
- A decrease in the *Forum* printing expense was approved to reflect a reduction in the number of magazine pages and the use of lighter paper.
- Other adjustments were made to revenue and expense accounts to reflect actual activity and results during the triennium.



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

Several items proposed by the Budget Committee and the Chapter Relations Committee were approved by the Board of Directors and have been incorporated into the 2010-2012 Biennial Planning Budget:

- Increasing Application Fee ( Charter Fees) by \$2,500 to more accurately reflect expenses associated with the chartering of new chapters
- Restructuring of the Phi Kappa Phi Foundation programs
- Continuing to support the Chapter Recognition Program
- Continuing to support delegate travel to Convention, Partnering for Success Workshops and Cluster Meetings
- Continuing to support travel by Council of Students
- Allocating programming funds to allow the electronic submission of award applications

The Phi Kappa Phi Biennial Budget is the instrument that, along with the effort of volunteers, allows the Society to accomplish its mission and goals.

See the 2010-2012 Proposed Biennial Planning Budget and Accompanying Graphs and Attachments section for the following documents:

- Statement of Volunteerism and Budgeting
- CFO Letter to the Convention Delegates
- 2010-2012 Proposed Biennial Planning Budget and Accompanying Graphs and Attachments
- 2008-2009 Independent Auditor's Report

William Bloodworth  
*Society President Elect and Committee Chair*



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

## MEMORANDUM

TO: 2010 Convention Delegates

FROM: Lourdes R. Barro  
Assoc. Ex. Dir. /CFO

RE: Proposed 2010-2012 Biennial Planning Budget

Enclosed is a copy of the proposed 2010-2012 Biennial Planning Budget with related charts and attachments. As the Budget Advisory and Review Committee (BAARC) Report indicates, this budget has undergone a thorough review process. The proposed budget was reviewed twice by the Budget Committee and the Board of Directors prior to its examination by BAARC. Recommendations from BAARC and the Program and Awards Review Committee were incorporated into the proposed budget. The final version of the 2010-2012 Biennial Planning Budget was approved by the Board at its April 2010 meeting in Baton Rouge.

As you examine the budget, please keep in mind that the Society is transitioning from a triennial budget to a biennial budget. On the left side of the budget document, you will see budget and actual figures for each year of the current 2007-2010 Triennial Budget. On the right hand side, the proposed figures for each year of the 2010-2012 Biennium are listed. The last three columns of the budget indicate the fund distribution for each revenue and expense line.



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

## 2010–2012 Proposed Biennial Planning Budget & Accompanying Graphs

### STATEMENT OF VOLUNTEERISM AND BUDGETING

- The work of the Honor Society of Phi Kappa Phi is carried out largely by volunteers. Only one member of the Board of Directors, the Executive Director, is a salaried employee. The Staff members who maintain the Society Headquarters is small for an organization as large as The Honor Society of Phi Kappa Phi.
- The biennial planning budget, as presented in this document, represents the expenses for operating the Society Headquarters, for supporting programs that recognize and promote academic excellence in higher education, for producing marketing materials and member benefits such as the Phi Kappa Phi Forum, for holding the Biennial Convention as mandated by the Society Bylaws, for conducting regional and national meetings, and for paying the necessary travel of the members of the Society Board of Directors and national committees.
- In reviewing this planning budget, please consider the additional invaluable contributions of the volunteers at the member, chapter, regional, and national levels. Volunteerism is crucial to the success of the Society. Although difficult to evaluate in a monetary sense, it is an essential asset, which needs to be acknowledged, maintained and supported.

# 2010-2012 COMBINED BIENNIAL PLANNING BUDGET

## 2010-2012 COMBINED BIENNIAL PLANNING BUDGET

### REVENUES

|  | 2007-2008<br>Budget | 2007-2008<br>Actual | 2008-2009<br>Budget | 2008-2009<br>Actual | 2009-2010<br>Budget | Triennial<br>Budget<br>2007-2010 | Triennial<br>Actual<br>2007-2010 | Proposed<br>2010-2011 | Proposed<br>2011-2012 | Proposed<br>Biennial<br>Budget<br>2010-2012 | Operating<br>Investment<br>Fund<br>2010-2012 | Life<br>Membership<br>Fund<br>2010-2012 | Foundation<br>Fund<br>2010-2012 | Notes |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------------------|----------------------------------|-----------------------|-----------------------|---|--|---|---------------------------------|-------|
| ANNUAL DUES & MEMBERSHIP FEES  | 2,665,500           | 2,718,886           | 2,790,000           | 2,811,012           | 2,901,670           | 8,357,170                        | 8,431,568                        | 2,972,837             | 3,021,615             | 5,994,452                                   | 5,169,452                                    | 825,000                                 | 0                               | 1     |
| CHAPTER DEVELOPMENT  | 2,700               | 2,500               | 2,700               | 4,750               | 2,700               | 8,100                            | 9,950                            | 7,000                 | 7,000                 | 14,000                                      | 14,000                                       | 0                                       | 0                               | 2     |
| CONTRIBUTIONS  | 454,913             | 275,155             | 334,950             | 155,471             | 195,900             | 985,763                          | 626,526                          | 175,000               | 165,900               | 340,900                                     | 10,000                                       | 0                                       | 330,900                         | 3     |
| SALES  | 208,075             | 209,042             | 211,196             | 210,699             | 214,364             | 633,635                          | 634,105                          | 216,508               | 218,673               | 435,181                                     | 435,181                                      | 0                                       | 0                               | 4     |
| MISCELLANEOUS  | 1,000               | 8,511               | 1,000               | 4,993               | 1,000               | 3,000                            | 14,304                           | 1,000                 | 1,000                 | 2,000                                       | 2,000  | 0                                       | 0                               | 5     |
| INCOME ON LONG-TERM INVESTMENTS  | 1,069,960           | 1,057,563           | 717,471             | 1,007,242           | 869,049             | 2,656,480                        | 2,933,854                        | 1,072,585             | 1,068,944             | 2,141,529                                   | 500,311                                      | 573,673                                 | 1,067,545                       | 5     |
| NET REALIZED AND UNREALIZED GAINS (AND LOSSES) ON<br>LONG-TERM INVESTMENTS | 372,700             | (2,854,859)         | (4,292,963)         | (4,868,036)         | 633,090             | (3,287,173)                      | (7,089,805)                      | 556,441               | 258,721               | 815,162                                     | 12,977                                       | 279,019                                 | 523,166                         | 5     |
| ROYALTIES AND SUBSCRIPTIONS  | 159,500             | 162,888             | 166,850             | 166,919             | 142,500             | 468,850                          | 472,307                          | 138,800               | 140,113               | 278,913                                     | 15,000                                       | 0                                       | 263,913                         |       |
| TOTAL REVENUES   | 4,934,348           | 1,579,687           | (68,796)            | (507,150)           | 4,960,273           | 9,825,825                        | 6,032,810                        | 5,140,171             | 4,881,966             | 10,022,137                                  | 6,158,921                                    | 1,677,692                               | 2,185,524                       |       |

### EXPENSES

|   | 2007-2008<br>Budget | 2007-2008<br>Actual | 2008-2009<br>Budget | 2008-2009<br>Actual | 2009-2010<br>Budget | Triennial<br>Budget<br>2007-2010 | Triennial<br>Actual<br>2007-2010 | Proposed<br>2010-2011 | Proposed<br>2011-2012 | Proposed<br>Biennial<br>Budget<br>2010-2012 | Operating<br>Investment<br>Fund<br>2010-2012 | Life<br>Membership<br>Fund<br>2010-2012 | Foundation<br>Fund<br>2010-2012 | Notes |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------------------|----------------------------------|-----------------------|-----------------------|---|--|---|---------------------------------|-------|
| AWARDS, FELLOWSHIPS AND GRANTS                | 510,000             | 480,822             | 500,000             | 509,955             | 500,000             | 1,510,000                        | 1,490,777                        | 442,000               | 440,000               | 882,000                                     | 0  | 0                                       | 882,000                         | 6     |
| CONVENTION                                    | 208,000             | 205,426             | 0                   | 368                 | 0                   | 208,000                          | 205,794                          | 187,300               | 0                     | 187,300                                     | 187,300                                      | 0                                       | 0                               | 7     |
| CHAPTER SUPPORT (REGIONAL/CHAPTER ACTIVITIES) | 42,500              | 25,347              | 74,500              | 49,116              | 48,500              | 165,500                          | 122,963                          | 79,440                | 68,940                | 147,930                                     | 147,930                                      | 0                                       | 0                               | 7     |
| INVESTMENT EXPENSE                            | 68,605              | 68,204              | 68,989              | 60,250              | 76,441              | 214,035                          | 204,895                          | 85,010                | 88,716                | 173,726                                     | 30,109                                       | 50,221                                  | 93,396                          |       |
| MERCHANDISE-CONSIGNMENT ITEMS                 | 222,027             | 208,710             | 228,688             | 198,468             | 220,600             | 671,315                          | 627,778                          | 223,650               | 228,688               | 452,338                                     | 452,338                                      | 0                                       | 0                               |       |
| MERCHANDISE-COST OF GOODS SOLD                | 150,653             | 139,535             | 152,987             | 135,323             | 155,360             | 459,000                          | 430,218                          | 156,555               | 158,221               | 314,776                                     | 314,776                                      | 0                                       | 0                               |       |
| BANK SERVICE CHARGES, CREDIT CARD FEES, ETC.  | 61,650              | 74,273              | 81,700              | 80,879              | 84,853              | 228,203                          | 240,005                          | 87,860                | 90,985                | 178,845                                     | 178,695                                      | 0                                       | 150                             |       |
| HEADQUARTERS' SALARIES                        | 916,318             | 887,172             | 1,031,900           | 991,583             | 1,043,542           | 2,991,760                        | 2,922,297                        | 1,074,608             | 1,106,654             | 2,181,262                                   | 1,875,885                                    | 0                                       | 305,377                         | 8     |
| HEADQUARTERS' FRINGE BENEFITS                 | 318,885             | 262,582             | 333,210             | 284,608             | 347,895             | 999,990                          | 895,085                          | 365,828               | 383,586               | 749,414                                     | 644,496                                      | 0                                       | 104,918                         |       |
| HEADQUARTERS' TRAVEL & PROF.DEV.              | 60,590              | 52,961              | 68,698              | 65,236              | 57,180              | 186,468                          | 175,377                          | 58,670                | 60,206                | 118,876                                     | 102,233                                      | 0                                       | 16,643                          |       |
| MARKETING AND COMMUNICATIONS                  | 343,340             | 244,351             | 306,797             | 266,663             | 318,286             | 968,423                          | 829,300                          | 334,670               | 341,933               | 676,603                                     | 664,063                                      | 0                                       | 12,540                          |       |
| PUBLICATIONS                                  | 2,562               | 3,486               | 3,319               | 3,256               | 3,185               | 67,500                           | 64,554                           | 271,415               | 280,195               | 551,610                                     | 548,765                                      | 0                                       | 2,845                           |       |
| ELECTRONIC COMMUNICATION                      | 25,000              | 17,970              | 42,000              | 41,818              | 12,500              | 77,500                           | 72,288                           | 13,000                | 13,000                | 26,000                                      | 26,000                                       | 0                                       | 0                               | 9     |
| PHI KAPPA PHI FORUM                           | 485,555             | 447,795             | 0                   | 0                   | 0                   | 485,555                          | 447,795                          | 0                     | 0                     | 0   | 0  | 0                                       | 0                               | 10    |
| DEVELOPMENT                                   | 65,000              | 69,592              | 25,000              | 17,727              | 25,000              | 115,000                          | 112,319                          | 25,000                | 25,000                | 50,000                                      | 0  | 0                                       | 50,000                          |       |
| INFORMATION TECHNOLOGY                        | 45,500              | 23,208              | 70,000              | 53,090              | 67,670              | 183,170                          | 143,968                          | 58,040                | 40,500                | 98,540                                      | 98,540                                       | 0                                       | 0                               | 11    |
| FACILITIES AND OPERATIONS                     | 278,864             | 252,270             | 290,300             | 241,729             | 280,897             | 844,061                          | 774,896                          | 279,379               | 290,132               | 569,511                                     | 549,038                                      | 0                                       | 20,472                          |       |
| PROFESSIONAL SERVICES                         | 55,000              | 35,442              | 38,000              | 34,162              | 40,000              | 133,000                          | 109,604                          | 39,000                | 39,000                | 78,000                                      | 74,000                                       | 0                                       | 4,000                           |       |
| BOARD OF DIRECTORS                            | 89,738              | 56,090              | 91,389              | 54,251              | 76,296              | 257,423                          | 186,637                          | 77,100                | 75,600                | 152,700                                     | 145,690                                      | 0                                       | 7,010                           |       |
| COMMITTEE MEETINGS                            | 18,240              | 10,489              | 21,630              | 21,547              | 20,630              | 60,800                           | 52,667                           | 30,040                | 36,160                | 66,200                                      | 41,300                                       | 0                                       | 24,900                          |       |
| NEW INITIATIVES                               | 5,000               | 0                   | 0                   | 0                   | 50,000              | 55,000                           | 50,000                           | 0                     | 25,000                | 25,000                                      | 25,000                                       | 0                                       | 0                               |       |
| TOTAL EXPENSES                                | 3,965,327           | 3,565,725           | 3,757,701           | 3,432,339           | 3,744,154           | 11,467,182                       | 10,742,218                       | 3,888,566             | 3,792,065             | 7,680,631                                   | 6,106,159                                    | 50,221                                  | 1,524,251                       | 12    |
| <b>EXCESS OF REVENUES OVER EXPENSES</b>       | <b>969,021</b>      | <b>(1,986,038)</b>  | <b>(3,826,497)</b>  | <b>(3,939,489)</b>  | <b>1,216,119</b>    | <b>(1,641,357)</b>               | <b>(4,709,408)</b>               | <b>1,251,605</b>      | <b>1,089,901</b>      | <b>2,341,506</b>                            | <b>52,762</b>                                | <b>1,627,471</b>                        | <b>661,273</b>                  |       |

|  | 2007-2008<br>Budget | 2007-2008<br>Actual | 2008-2009<br>Budget | 2008-2009<br>Actual | 2009-2010<br>Budget | Triennial<br>Budget<br>2007-2010 | Triennial<br>Actual<br>2007-2010 | Proposed<br>2010-2011 | Proposed<br>2010-2011 | Proposed<br>Biennial<br>Budget<br>2010-2012 | Operating<br>Investment<br>Fund<br>2010-2012 | Life<br>Membership<br>Fund<br>2010-2012 | Foundation<br>Fund<br>2010-2012 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------------------|----------------------------------|-----------------------|-----------------------|---|--|---|---------------------------------|
| <b>EXCESS OF REVENUES OVER EXPENSES</b>  | 969,021             | (1,986,038)         | (3,826,497)         | (3,939,489)         | 1,216,119           | (1,641,357)                      | (4,709,408)                      | 1,251,605             | 1,089,901             | 2,341,506                                   | 52,762                                       | 1,627,471                               | 661,273                         |
| Investment income for the Life Membership is transferred into the Operating Inv. Fund to pay for services provided to active-for-life members. | 0                   | 0                   | 0                   | 0                   | 0                   | 0                                | 0                                | 0                     | 0                     | 0   | 573,673                                      | (573,673)                               | 0                               |
| Transfer from Foundation to pay for one year of dues for program nominees  | 0                   | 0                   | 0                   | 0                   | 0                   | 0                                | 0                                | 0                     | 0                     | 0   | 17,460                                       | 0                                       | (17,460)                        |
| Transfer from Operating Inv. Fund to Foundation  | 0                   | 0                   | 0                   | 0                   | 0                   | 0                                | 0                                | 0                     | 0                     | 0   | (300,000)                                    | 0                                       | 300,000                         |
| <b>Change in Net Assets</b>  | <b>969,021</b>      | <b>(1,986,038)</b>  | <b>(3,826,497)</b>  | <b>(3,939,489)</b>  | <b>1,216,119</b>    | <b>(1,641,357)</b>               | <b>(4,709,408)</b>               | <b>1,251,605</b>      | <b>1,089,901</b>      | <b>2,341,506</b>                            | <b>343,895</b>                               | <b>1,053,798</b>                        | <b>943,813</b>                  |

## NOTES:

1. Amounts reflect a \$5 initiation fee effective 7/1/2009. A 3% increase in the number of new initiates is projected for 2010-2011; a 2% increase is projected for 2011-2012. Renewals are projected to increase by 1% annually.
2. Amounts reflect proposed increase in Chapter Application Fee (Charter & Petition) from \$1,000 to \$3,500. The increase reflects more accurately the expense associated
3. A decrease in Foundation contributions is budgeted based on the economy and a smaller active membership base. The Phi Kappa Phi Campaign will end in 2010-2011.
4. Sales are projected to increase by 1% annually.
5. For the Foundation and Life Membership Funds market value assumes a total return of 7.40% for 2009-2010; 7% for 2010-2011; and 4.20% for 2011-2012.
6. Program allocations reflect recommendations from the Programs & Awards Review Committee. (See Attachment 2)
7. Additional funds for Convention delegate travel are included in the Chapter Support Line.
8. Total reflects salary increases not to exceed 3%. Salary increases are contingent upon the availability of funds.
9. See Attachment 4.
10. Since Fiscal Year 2008-2009, Forum expenses have been combined with Headquarters' expenses.
11. See Attachment 3.
12. Actual Change in Net Assets adjusted by reducing depreciation and adding back fixed assets: (2,041,076) for 2007-2008 and (3,949,711) for 2008-2009.

# MEMBERSHIP PROJECTIONS

| MEMBER FEES                             | 2009-2010         |                |                  | 2010-2011         |                |                  | 2011-2012         |                |                  |
|---|-------------------|----------------|------------------|-------------------|----------------|------------------|-------------------|----------------|------------------|
|   | NUMBER OF MEMBERS | FEE PER MEMBER | TOTAL FEES       | NUMBER OF MEMBERS | FEE PER MEMBER | TOTAL FEES       | NUMBER OF MEMBERS | FEE PER MEMBER | TOTAL FEES       |
| <i>ANNUAL DUES</i>                      |                   |                |                  |                   |                |                  |                   |                |                  |
| NEW MEMBER                              | 31,000            | 25.00          | 775,000          | 32,000            | 25.00          | 800,000          | 32,500            | 25.00          | 812,500          |
| SUSTAINING                              | 30,600            | 30.00          | 918,000          | 30,906            | 30.00          | 927,180          | 31,215            | 30.00          | 936,452          |
| SUSTAINING                              | 3,000             | 27.50          | 82,500           | 3,030             | 27.50          | 83,325           | 3,060             | 27.50          | 84,158           |
| SUSTAINING                              | 1,000             | 26.67          | 26,670           | 1,010             | 26.67          | 26,937           | 1,020             | 26.67          | 27,206           |
| SUSTAINING                              | 3,060             | 25.00          | 76,500           | 3,091             | 25.00          | 77,265           | 3,122             | 25.00          | 78,038           |
| SUSTAINING                              | 500               | 26.00          | 13,000           | 505               | 26.00          | 13,130           | 510               | 26.00          | 13,261           |
| <b>TOTAL</b>                            |                   |                | <b>1,891,670</b> |                   |                | <b>1,927,837</b> |                   |                | <b>1,951,615</b> |
| LIFE MEMBERS                            | 1,300             | 300.00         | 390,000          | 1,350             | 300.00         | 405,000          | 1,400             | 300.00         | 420,000          |
| INITIATION FEE                          | 31,000            | 20.00          | 620,000          | 32,000            | 20.00          | 640,000          | 32,500            | 20.00          | 650,000          |
| <b>TOTAL DUES &amp; MEMBERSHIP FEES</b> |                   |                | <b>2,901,670</b> |                   |                | <b>2,972,837</b> |                   |                | <b>3,021,615</b> |

*Attachment #1*



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

## Distribution of Awards for 2010-2012 Biennium

| AWARD                          | ANNUAL     | BIENNIUM   | ANNUAL DISTRIBUTION  |
|--------------------------------|------------|------------|--|
| FELLOWSHIP                     | \$ 330,000 | \$ 660,000 | 57 Fellowships - \$5,000 each<br>3 Fellowships - \$15,000 each |
| STUDY ABROAD                   | 45,000     | 90,000     | 45 awards - \$1,000 each                                       |
| LITERACY                       | 25,000     | 50,000     | Amount per grant varies between \$300 up to \$2,500            |
| PHI KAPPA PHI SCHOLAR & ARTIST |            | 2,000      | \$1,000 each - Awarded at Convention                           |
| LOVE OF LEARNING               | 40,000     | 80,000     | 80 awards for as much as \$500 each                            |
| TOTAL FOR BIENNIUM             | \$ 440,000 | \$ 882,000 |  |

*Attachment #2*

# IT, MISCELLANEOUS EQUIPMENT, & MAINTENANCE BUDGET 2010-2012

Biennial Budget 2010-2012

2011-2012 Proposed

2010-2011 Proposed

2009-2010 Proposed

| ITEM <i>(italics=New Item)</i>                | * Notes on budget needs          | \$     | * Notes on budget needs        | \$     | * Notes on budget needs    | \$     |
|---|----------------------------------|--------|--------------------------------|--------|----------------------------|--------|
| <b>HARDWARE &amp; MISCELLANEOUS EQUIPMENT</b> |                                  |        |                                |        |                            |        |
|   |                                  | 33,700 |                                | 20,500 |                            | 21,200 |
| Office Workstations                           |                                  | 20,000 |                                | 6,000  |                            | 11,000 |
|   | <i>* 9 PC Replacements</i>       |        | <i>* 3 PC Replacements</i>     |        | <i>* 5 PC Replacements</i> |        |
| Server Replacement                            |                                  | 4,200  |                                | 2,000  |                            | 2,000  |
|   | <i>* SQL Server</i>              |        | <i>* Interceptor</i>           |        |                            |        |
| Laptop Computer                               |                                  | 0      |                                | 4,000  |                            | 0      |
|   |                                  |        | <i>* 2 Laptop Replacements</i> |        |                            |        |
| Macintosh Computer                            |                                  | 0      |                                | 0      |                            | 2,200  |
| Printers                                      |                                  | 1,000  |                                | 4,000  |                            | 2,500  |
| Miscellaneous Hardware                        |                                  | 2,500  |                                | 2,500  |                            | 2,500  |
| Other Miscellaneous Equipment/Furniture       |                                  | 0      |                                | 2,000  |                            | 3,000  |
| Air Conditioning Unit                         |                                  | 6,000  |                                | 0      |                            | 0      |
| <b>SOFTWARE</b>                               |                                  |        |                                |        |                            |        |
|   |                                  | 6,500  |                                | 9,000  |                            | 6,500  |
| Microsoft Server                              |                                  | 5,000  |                                | 5,000  |                            | 5,000  |
|   | <i>* Windows 2008/SQL Server</i> |        | <i>* Windows Server</i>        |        | <i>* Windows Server</i>    |        |
| Norton Antivirus                              |                                  | 0      |                                | 2,500  |                            | 0      |
| Miscellaneous                                 |                                  | 1,500  |                                | 1,500  |                            | 1,500  |
|   |                                  |        |                                |        |                            | 3,000  |
|   |                                  |        |                                |        |                            | 41,700 |

*Attachment #3*

# IT, MISCELLANEOUS EQUIPMENT, & MAINTENANCE BUDGET 2010-2012 *(continued)*

| ITEM <i>(italics=New Item)</i>                              | 2009-2010 Proposed<br><i>* Notes on budget needs</i> | 2010-2011 Proposed<br><i>* Notes on budget needs</i> | 2011-2012 Proposed<br><i>* Notes on budget needs</i> | Biennial Budget 2010-2012 |
|---|--|--|--|---------------------------|
|   | \$   | \$   | \$   | \$                        |
| MAINTENANCE   | 44,912   | 47,260   | 47,610   | 94,870                    |
| iMIS  | 20,000   | 6,000  | 11,000   | 17,000                    |
| MIP   | 2,740  | 2,820  | 2,905  | 5,725                     |
| Verisign  | 3,242  | 3,340  | 3,440  | 6,780                     |
| Dell Server Support   | 3,250  | 3,350  | 3,451  | 6,801                     |
| Accuzip   | 2,100  | 2,170  | 2,235  | 4,405                     |
| Espion  | 1,000  | 1,000  | 1,000  | 2,000                     |
| Netshapers  | 180  | 180  | 180  | 360                       |
| OCE   | 2,500  | 2,500  | 2,500  | 5,000                     |
| Neopost Maintenance   | 4,300  | 4,300  | 4,300  | 8,600                     |
| Ikon  | 600  | 600  | 600  | 1,200                     |
| Xerox Laser Printer Support                                 | 1,000  | 1,000  | 1,000  | 2,000                     |
| Miscellaneous (hardware, building & other)                  | 8,000  | 8,000  | 8,000  | 16,000                    |
| <b>PROGRAMMING</b>  | <b>48,670</b>  | <b>41,540</b>  | <b>26,500</b>  | <b>68,040</b>             |
| Avant-Garde Programming                                     | 25,500   | 21,660   | 26,500   | 48,160                    |
| Programming for Electronic Submission of Award Applications | 23,170   | 19,880   | 0  | 19,880                    |
| <b>NETWORK SUPPORT/IT CONSULTATION/IT AUDIT</b>             | <b>10,000</b>  | <b>5,000</b>   | <b>5,000</b>   | <b>10,000</b>             |
| Network Support/IT Consultation                             | 5,000  | 5,000  | 5,000  | 10,000                    |
| IT Audit  | 5,000  | 0  | 0  | 0                         |
| <b>DATABASE STORAGE</b>                                     | <b>2,500</b>   | <b>2,500</b>   | <b>2,500</b>   | <b>5,000</b>              |
| Venyu   | 2,500  | 2,500  | 2,500  | 5,000                     |
| <b>TOTAL</b>  | <b>136,282</b>                                       | <b>125,800</b>                                       | <b>109,310</b>                                       | <b>235,110</b>            |

*Attachment #3*



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

## MARKETING & MEMBER BENEFITS BUDGET 2010-2012

|   | Quantity | 2010-11<br>Proposed | 2011-12<br>Proposed | 2010-2012<br>Biennial Total |
|---|----------|---------------------|---------------------|-----------------------------|
| <b>ADVERTISING</b>  |          |                     |                     |                             |
| 5252 Award Program Ad(s)  |          | 4,000               | 4,000               | 8,000                       |
| 5252 General Society Ad(s)                                      |          | 2,000               | 2,000               | 4,000                       |
| 5252 Convention Ad(s)   |          | 2,000               | 0                   | 2,000                       |
| 5252 Miscellaneous Adv.   |          | 1,000               | 1,000               | 2,000                       |
| <b>CHAPTER/MEMBER OPERATIONS MATERIALS</b>                      |          |                     |                     |                             |
| 5082 Certificates: Imprinting                                   | 50,000   | 2,190               | 2,325               | 4,515                       |
| 5082 Certificates: Foiling                                      | 50,000   | 8,075               | 8,400               | 16,475                      |
| 5082 Certificate Envelopes                                      | 35,000   | 5,665               | 5,895               | 11,560                      |
| 5082 Miscellaneous Chapter Mailings                             | 0        | 500                 | 500                 | 1,000                       |
| 5082 Fellowship and Study Abroad Posters                        | 6,800    | 2,225               | 2,315               | 4,540                       |
| 5082 Fellowship/Study Abroad Fact Sheets                        | 8,000    | 0                   | 0                   | 0                           |
| 5082 PRE Forms + matching #9 CREs (RRD)                         | 160,000  | 4,285               | 4,460               | 8,745                       |
| 5082 Letterhead Shells (RRD)                                    | 110,000  | 5,360               | 5,575               | 10,935                      |
| 5082 Invitation to Membership (RRD)                             | 110,000  | 10,715              | 11,145              | 21,860                      |
| 5082 Invitation to Membership Envelopes (RRD)                   | 110,000  | 10,505              | 10,925              | 21,430                      |
| 5082 New Member Card with Welcome Letter (including postage)    | 35,000   | 18,180              | 18,910              | 37,090                      |
| 5082 New Life Member Card with Letter (including postage)       | 1,400    | 1,215               | 1,290               | 2,505                       |
| 5082 Bylaws   | 700      | 2,785               | 0                   | 2,785                       |
| <b>DIRECT MAILINGS, INVITATIONS, REACTIVATIONS</b>              |          |                     |                     |                             |
| 5303 Pilot projects, reactivation mailings, etc.                |          | 0                   | 0                   | 0                           |
| <b>EVENT PROMOTION</b>  |          |                     |                     |                             |
| 5085 2007 Convention Promotion (letters, postcards & brochures) |          | 0                   | 0                   | 0                           |
| <b>PRINT MATERIALS - MISCELLANEOUS</b>                          |          |                     |                     |                             |
| 5044 Member Records/Data Processing Materials                   |          |                     |                     |                             |
| 5044 Regular Envelopes (Non-Window #10)                         | 50,000   | 1,610               | 1,675               | 3,285                       |
| 5044 10x13 Catalog Envelopes                                    | 5,000    | 910                 | 950                 | 1,860                       |
| 5044 9x12 Catalog Envelopes                                     | 10,000   | 1,665               | 1,735               | 3,400                       |

*Attachment #4*



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

## MARKETING & MEMBER BENEFITS BUDGET 2010-2012 *(continued)*

|  |   |         |         |         |        |
|--|---|---------|---------|---------|--------|
| PRINT MATERIALS - MISCELLANEOUS <i>(continued)</i> |   | 13,440  | 13,680  | 27,120  |        |
| 5044   | <i>Office Print Materials</i>                                       |         |         |         |        |
| 5044   | Notecards & Envelopes to match                                      | 830     | 865     | 1,695   |        |
| 5044   | Business Cards  | 500     | 250     | 750     |        |
| 5044   | Society & Foundation Checks with Envelopes                          | 1,000   | 1,000   | 2,000   |        |
| 5044   | Postcards   | 0       | 0       | 0       |        |
| 5044   | <i>Other Print Materials</i>  |         |         |         |        |
| 5044   | Letterhead  | 100,000 | 5,360   | 5,575   | 10,935 |
| 5044   | Blank Second Sheets   | 50,000  | 1,565   | 1,630   | 3,195  |
| BILLING  |   | 86,060  | 89,885  | 175,945 |        |
| 5045   | Active Billing (not including postage)                              | 85,000  | 26,260  | 27,310  | 53,570 |
| 5045   | Inactive Billing/Inactive & Active Reminder Statements              | 315,000 | 13,255  | 13,785  | 27,040 |
| 5045   | #9 Remittance Envelopes   | 327,000 | 19,090  | 19,855  | 38,945 |
| 5045   | #10 Window Envelopes  | 327,000 | 18,420  | 19,535  | 37,955 |
| 5810   | Active Member Decals <i>(active billing inserts)</i>                | 85,000  | 5,500   | 5,720   | 11,220 |
| 5045   | Miscellaneous Billing Inserts                                       | 200,000 | 3,535   | 3,680   | 7,215  |
| MEMBER/DATA PROCESSING                             |   | 135,200 | 140,608 | 275,808 |        |
| 5410   | Member/Data Processing Postage & Handling <i>(for all billings)</i> | 135,200 | 140,608 | 275,808 |        |
| BOARD PRINT MATERIALS                              |   | 3,000   | 1,500   | 4,500   |        |
| 5054   | Miscellaneous Printing for Board Member                             | 3,000   | 1,500   | 4,500   |        |
| PUBLIC RELATIONS/PUBLICITY                         |   | 15,845  | 16,395  | 32,240  |        |
| 5810   | Training & Consultation   | 0       | 0       | 0       |        |
| 5810   | Media Distribution Services   | 2,200   | 2,200   | 4,400   |        |
| 5810   | Society Brochures   | 5,000   | 835     | 870     | 1,705  |
| 5810   | Benefits/Awards Cards   | 50,000  | 1,730   | 1,800   | 3,530  |
| 5810   | General Phi Kappa Phi Posters                                       | 16,000  | 2,020   | 2,100   | 4,120  |
| 5810   | Make the Most of Your Membership <i>(New Member Packets)</i>        | 35,000  | 3,000   | 3,120   | 6,120  |
| 5810   | Change of Address Cards <i>(New Member Packets)</i>                 | 35,000  | 3,000   | 3,120   | 6,120  |
| 5810   | Gold Foil Seals <i>(New Member Packets, 3 in each)</i>              | 105,000 | 2,860   | 2,975   | 5,835  |
| 5810   | Life Member Decals <i>(New Life Member Mailings)</i>                | 1,400   | 200     | 210     | 410    |

*Attachment #4*



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

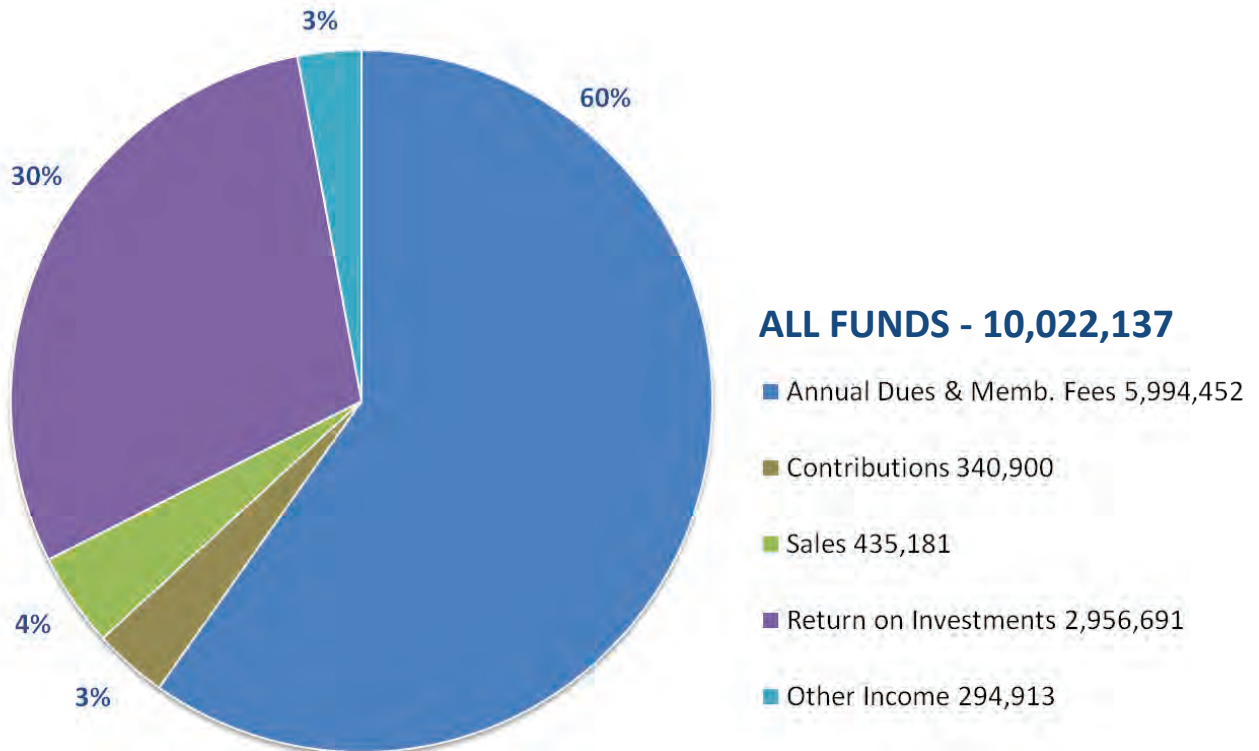
## MARKETING & MEMBER BENEFITS BUDGET 2010-2012 *(continued)*

|  | Quantity   | 2010-11<br>Proposed | 2011-12<br>Proposed | 2010-2012<br>Biennial Total |         |
|--|--|---------------------|---------------------|-----------------------------|---------|
| <b>PUBLICATIONS</b>                                    |  |                     |                     |                             |         |
|  |  | 271,415             | 280,195             | 551,610                     |         |
| 5048   | Annual Report  | 800                 | 1,395               | 1,450                       | 2,845   |
| 5049   | Philosophia  | 1,500               | 1,435               | 1,495                       | 2,930   |
| 5059   | Merchandise Flyer <i>(New Member Packets &amp; Active Billings)*</i> | 140,000             | 6,090               | 6,335                       | 12,425  |
| 5560   | Copy Editing - <i>Forum</i>  |                     | 2,000               | 2,000                       | 4,000   |
| 5675   | Design - <i>Forum</i>  |                     | 20,000              | 20,000                      | 40,000  |
| 5620   | Printing and Handling - <i>Forum</i>                                 |                     | 132,120             | 137,405                     | 269,525 |
| 5630   | Postage and Postage Due - <i>Forum</i>                               |                     | 108,375             | 111,510                     | 219,885 |
| <b>ELECTRONIC COMMUNICATION</b>                        |  |                     |                     |                             |         |
|  |  | 13,000              | 13,000              | 26,000                      |         |
| 5064   | Webcasts   |                     | 2,500               | 2,500                       | 5,000   |
| 5066   | Web site   |                     | 5,000               | 5,000                       | 10,000  |
| 5070   | E-mail Marketing <i>(Constant Contact)</i>                           |                     | 5,500               | 5,500                       | 11,000  |
| <b>MARKETING/BRANDING</b>                              |  |                     |                     |                             |         |
|  |  | 375                 | 375                 | 750                         |         |
| 5067   | Marketing Research <i>(Zoomerang)</i>                                |                     | 375                 | 375                         | 750     |
| 5069   | Miscellaneous Marketing Efforts                                      |                     | 0                   | 0                           | 0       |
| <b>GRAPHICS/SOFTWARE <i>(Web Site &amp; Print)</i></b> |  |                     |                     |                             |         |
|  |  | 3,050               | 2,250               | 5,300                       |         |
| 5301   | Graphic Design   |                     | 0                   | 0                           | 0       |
| 5301   | Graphics/Photography/Custom Artwork                                  |                     | 1,250               | 1,250                       | 2,500   |
| 5301   | Software   |                     | 1,800               | 1,000                       | 2,800   |
| <b>GRAND TOTAL</b>                                     |  |                     |                     |                             |         |
|  |  | 622,085             | 636,628             | 1,258,713                   |         |

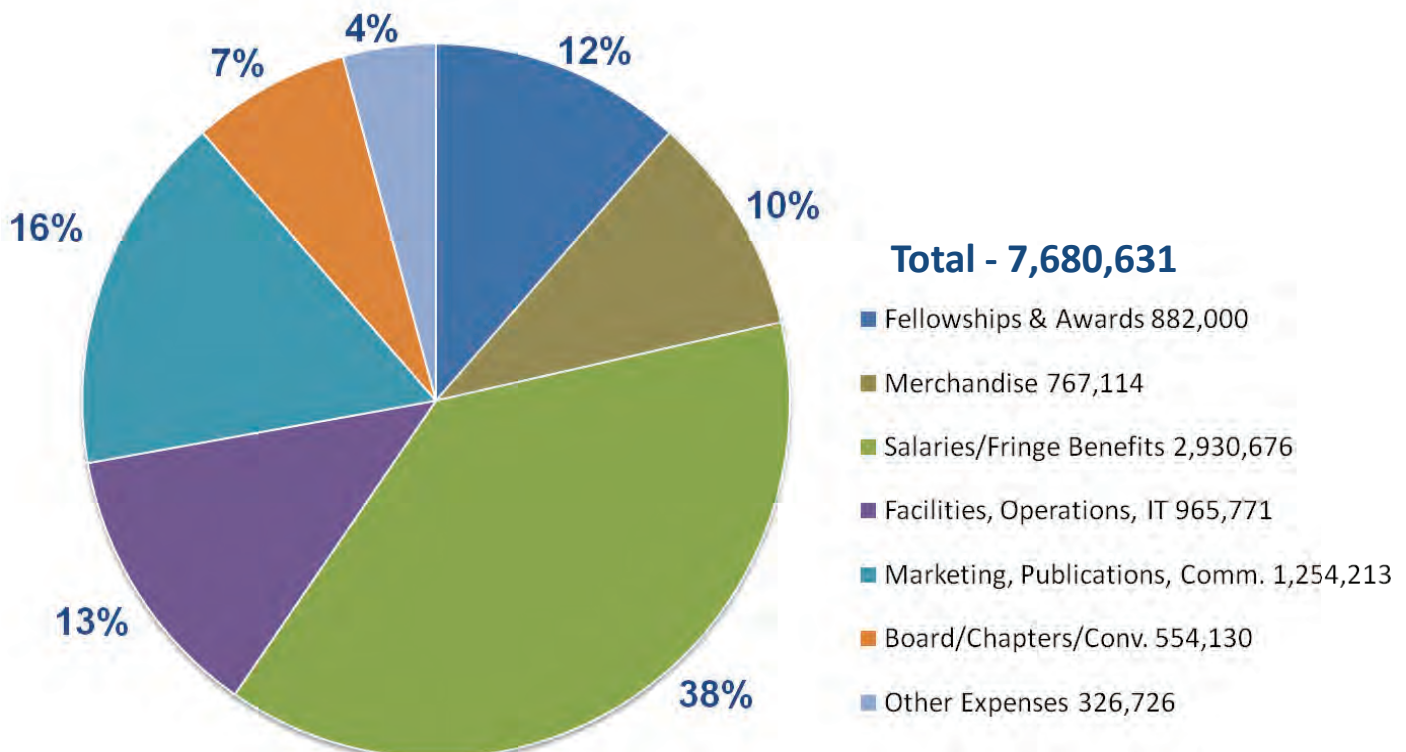
\* Includes \$500 each year for photography.

*Attachment #4*

# 2010-2012 PROJECTED REVENUES – ALL FUNDS



# 2010-2012 PROJECTED EXPENSES ALL FUNDS





# TRADITIONS & TRANSITIONS

*Responding to a World of Change*



A Professional Accounting Corporation  
Associated Offices in Principal Cities of the United States  
[www.pncpa.com](http://www.pncpa.com)

## INDEPENDENT AUDITORS' REPORT

To The Board of Directors  
The Honor Society of Phi Kappa Phi  
and Phi Kappa Phi Foundation  
Baton Rouge, Louisiana

We have audited the accompanying combined statements of financial position of The Honor Society of Phi Kappa Phi and Phi Kappa Phi Foundation as of June 30, 2009 and 2008, and the related combined statements of activities and cash flows for the years then ended. These combined financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the Combined Financial Statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of The Honor Society of Phi Kappa Phi and Phi Kappa Phi Foundation as of June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic combined financial statements taken as a whole. The supplementary information included in the schedules is presented for the purpose of additional analysis and is not a required part of the basic combined financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic combined financial statements taken as a whole.

*Postlethwaite + Netterville*

Baton Rouge, Louisiana  
September 28, 2009



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

## COMBINED STATEMENTS OF FINANCIAL POSITION

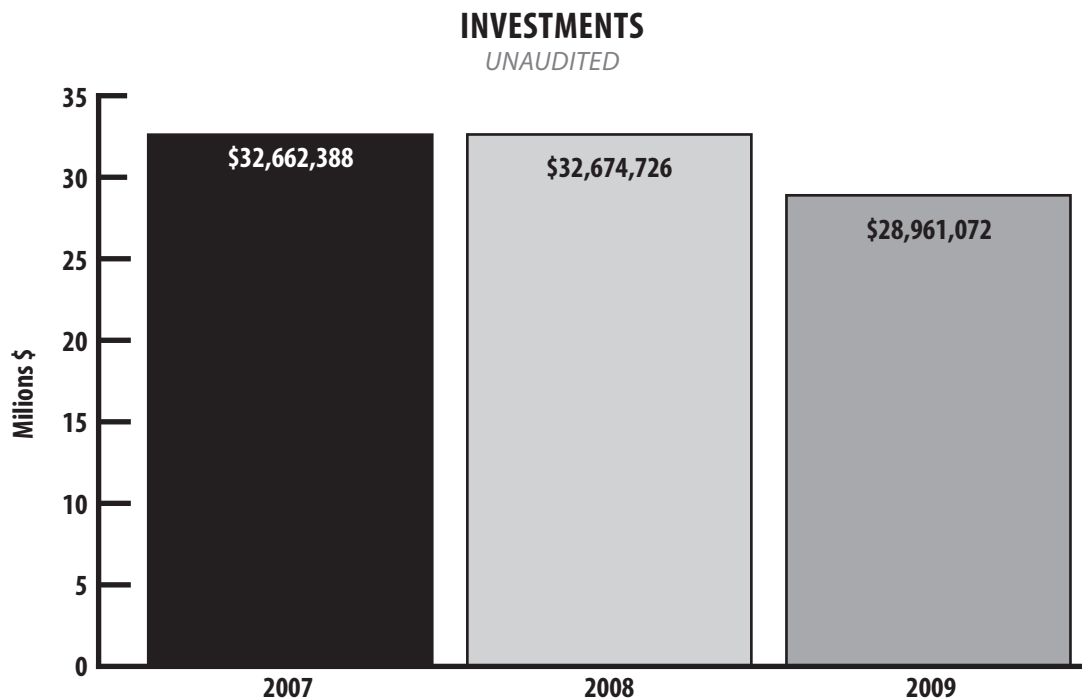
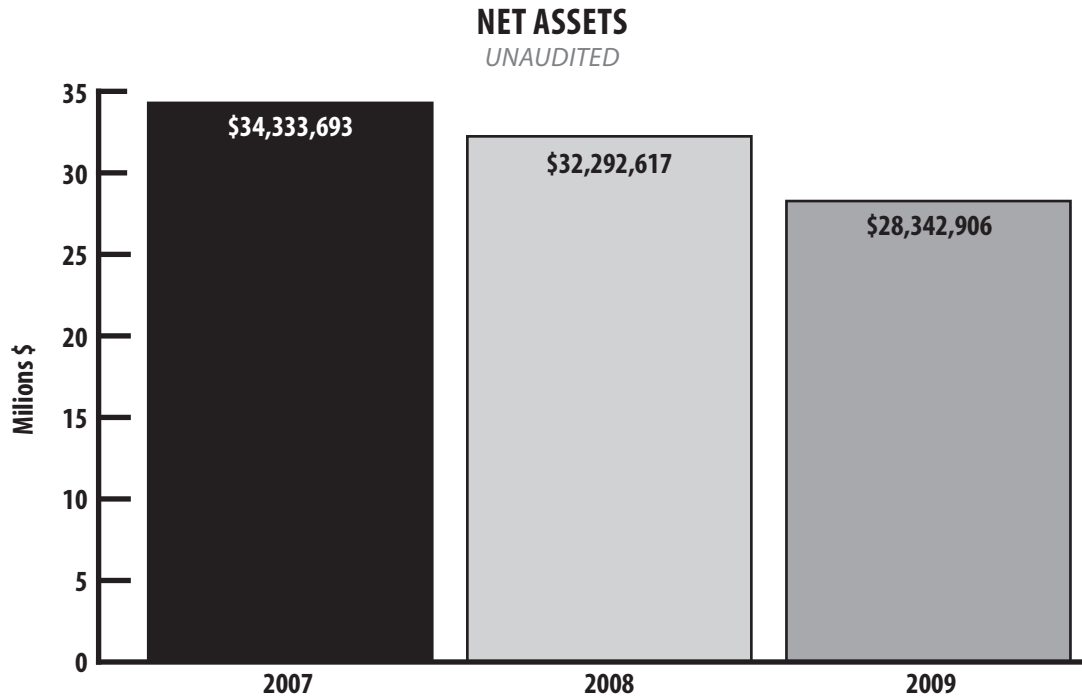
JUNE 30, 2009 & 2008

|  | <b>ASSETS</b> |               |
|--|---------------|---------------|
|  | 2009          | 2008          |
| <b>CURRENT ASSETS:</b>                       |               |               |
| Cash and cash equivalents                    | \$ 1,475,544  | \$ 1,121,935  |
| Investments - marketable securities          | 25,578,807    | 29,638,352    |
| Accrued interest receivable                  | 55,733        | 12,338        |
| Inventory                                    | 169,761       | 138,338       |
| Accounts receivable and other assets         | 135,395       | 140,566       |
| Total current assets                         | 27,415,240    | 31,051,529    |
| <b>PROPERTY AND EQUIPMENT:</b>               |               |               |
| Land   | 114,000       | 114,000       |
| Building                                     | 760,669       | 741,768       |
| Furniture and equipment                      | 1,009,729     | 949,813       |
| Less: accumulated depreciation               | (924,510)     | (835,470)     |
| Property and equipment-net                   | 959,888       | 970,111       |
| <b>OTHER ASSETS:</b>                         |               |               |
| Investments-marketable securities-restricted | 2,063,249     | 2,053,049     |
| Total assets                                 | \$ 30,438,377 | \$ 34,074,689 |
| <b>LIABILITIES AND NET ASSETS</b>            |               |               |
| <b>CURRENT LIABILITIES:</b>                  |               |               |
| Advance payment of dues                      | \$ 1,346,584  | \$ 1,309,067  |
| Accounts payable and accrued expenses        | 256,460       | 178,249       |
| Due to chapters                              | 129,228       | 65,143        |
| Total current liabilities                    | 1,732,272     | 1,552,459     |
| <b>LONG TERM LIABILITIES:</b>                |               |               |
| Advance payment of dues                      | 363,199       | 229,613       |
| Total liabilities                            | 2,095,471     | 1,782,072     |
| <b>NET ASSETS:</b>                           |               |               |
| Unrestricted                                 | 26,279,657    | 30,239,568    |
| Permanently restricted                       | 2,063,249     | 2,053,049     |
| Total net assets                             | 28,342,906    | 32,292,617    |
| Total liabilities and net assets             | \$ 30,438,377 | \$ 34,074,689 |

The accompanying notes are an integral part of these combined financial statements.



## SUPPORTING GRAPHS



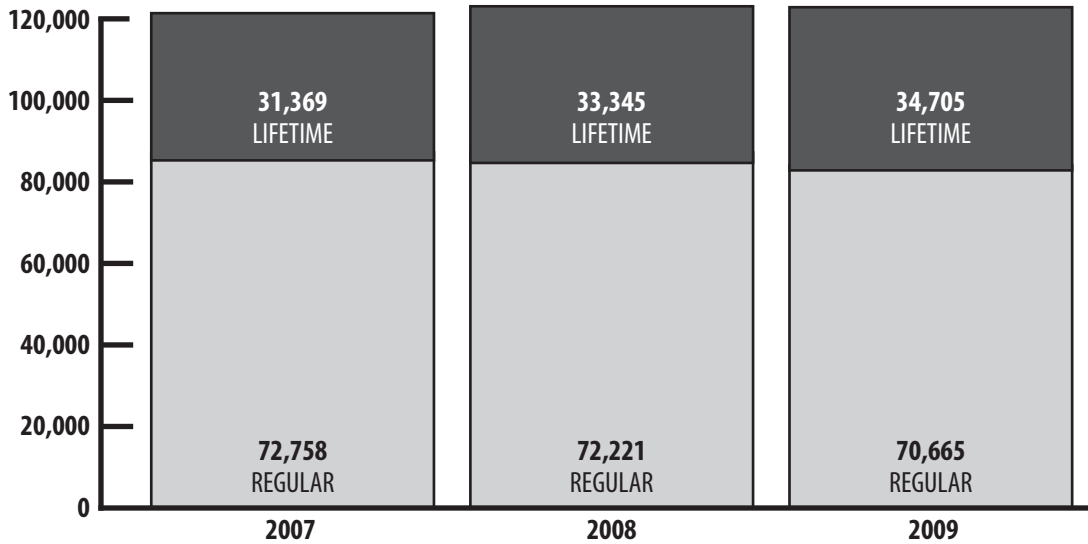


# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

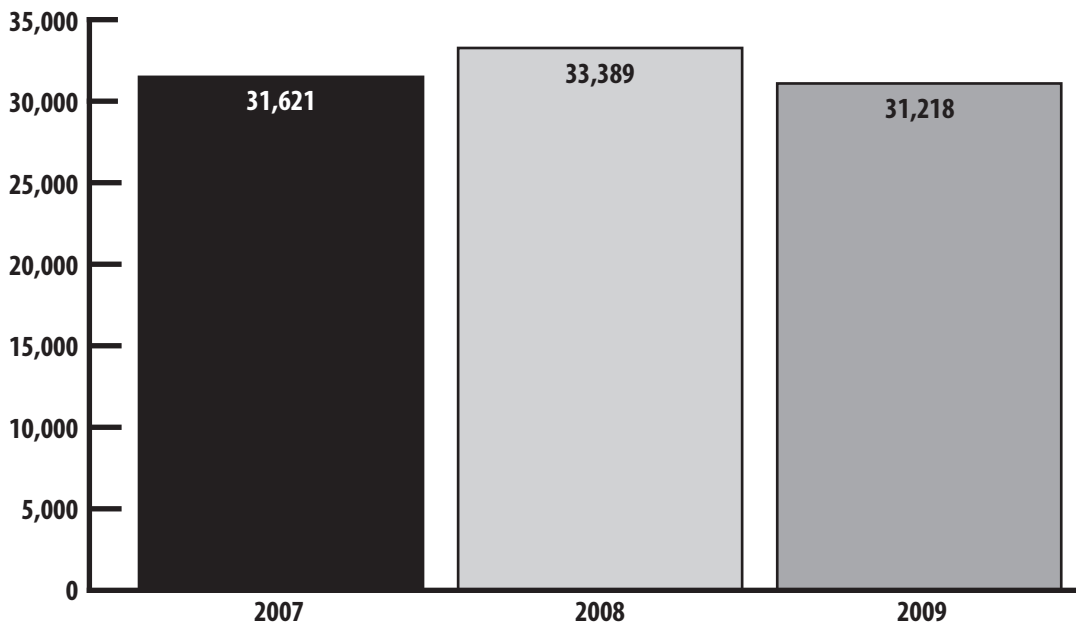
## ACTIVE MEMBERS

UNAUDITED



## NEW INITIATES

UNAUDITED





# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

## COMBINED STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2009 & 2008

|   | <u>Unrestricted</u>  | <u>Permanently<br/>Restricted</u> | <u>2009<br/>Total</u> |
|---|----------------------|-----------------------------------|-----------------------|
| Revenues, gains and other support:                    |                      |                                   |                       |
| Contributions   | \$ 145,272           | \$ 10,200                         | \$ 155,472            |
| Annual membership dues                                | 1,919,617            | -                                 | 1,919,617             |
| Initiation fees                                       | 468,270              | -                                 | 468,270               |
| Active-for-life memberships                           | 423,125              | -                                 | 423,125               |
| Dividends and interest                                | 1,007,242            | -                                 | 1,007,242             |
| Net unrealized and realized losses on investments     | (4,868,036)          | -                                 | (4,868,036)           |
| Sales of emblems, certificates, etc.                  | 210,699              | -                                 | 210,699               |
| Royalty income  | 162,821              | -                                 | 162,821               |
| Other   | 13,640               | -                                 | 13,640                |
|   | <u>(517,350)</u>     | <u>10,200</u>                     | <u>(507,150)</u>      |
| Total revenues, losses, and other support             |                      |                                   |                       |
| Expenses:   |                      |                                   |                       |
| Fellowships Program                                   | 392,753              | -                                 | 392,753               |
| Literacy Grants                                       | 27,202               | -                                 | 27,202                |
| Study Abroad Program                                  | 50,000               | -                                 | 50,000                |
| Scholar/Artist Program                                | -                    | -                                 | -                     |
| Love of Learning award                                | 25,000               | -                                 | 25,000                |
| Emerging Scholar award                                | 15,000               | -                                 | 15,000                |
| Commemoratives  | 3,835                | -                                 | 3,835                 |
| Society headquarters salaries                         | 991,583              | -                                 | 991,583               |
| Society headquarters office fringe benefits           | 284,608              | -                                 | 284,608               |
| Society headquarters office facilities and operations | 250,487              | -                                 | 250,487               |
| Resale items  | 333,188              | -                                 | 333,188               |
| Board of directors travel                             | 54,252               | -                                 | 54,252                |
| Depreciation  | 89,039               | -                                 | 89,039                |
| Fundraising   | 13,892               | -                                 | 13,892                |
| Chapter support                                       | 49,116               | -                                 | 49,116                |
| Committee meetings                                    | 21,547               | -                                 | 21,547                |
| Marketing and members benefits                        | 600,493              | -                                 | 600,493               |
| Investment expense                                    | 60,250               | -                                 | 60,250                |
| Other society headquarters expenses                   | 179,948              | -                                 | 179,948               |
| Convention expense                                    | 368                  | -                                 | 368                   |
|   | <u>3,442,561</u>     | <u>-</u>                          | <u>3,442,561</u>      |
| Total expenses  |                      |                                   |                       |
| Change in net assets                                  | (3,959,911)          | 10,200                            | (3,949,711)           |
| Net assets at beginning of year                       | <u>30,239,568</u>    | <u>2,053,049</u>                  | <u>32,292,617</u>     |
| Net assets at end of year                             | <u>\$ 26,279,657</u> | <u>\$ 2,063,249</u>               | <u>\$ 28,342,906</u>  |

The accompanying notes are an integral part of these combined financial statements.



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

## COMBINED STATEMENTS OF ACTIVITIES *(continued)*

YEARS ENDED JUNE 30, 2009 & 2008

|   | Unrestricted         | Permanently<br>Restricted | 2008<br>Total        |
|---|----------------------|---------------------------|----------------------|
| Revenues, gains and other support:                    |                      |                           |                      |
| Contributions   | \$ 221,622           | \$ 53,534                 | \$ 275,156           |
| Annual membership dues                                | 1,732,831            | -                         | 1,732,831            |
| Initiation fees                                       | 500,835              | -                         | 500,835              |
| Active-for-life memberships                           | 485,220              | -                         | 485,220              |
| Dividends and interest                                | 1,057,563            | -                         | 1,057,563            |
| Net unrealized and realized losses on investments     | (2,854,860)          | -                         | (2,854,860)          |
| Sales of emblems, certificates, etc.                  | 209,042              | -                         | 209,042              |
| Royalty income  | 158,808              | -                         | 158,808              |
| Other   | 15,092               | -                         | 15,092               |
|   | <u>1,526,153</u>     | <u>53,534</u>             | <u>1,579,687</u>     |
| Total revenues, losses, and other support             |                      |                           |                      |
| Expenses:   |                      |                           |                      |
| Fellowships Program                                   | 350,822              | -                         | 350,822              |
| Literacy Grants                                       | 30,000               | -                         | 30,000               |
| Study Abroad Program                                  | 50,000               | -                         | 50,000               |
| Scholar/Artist Program                                | 10,000               | -                         | 10,000               |
| Love of Learning award                                | 25,000               | -                         | 25,000               |
| Emerging Scholar award                                | 15,000               | -                         | 15,000               |
| Commemoratives  | 4,428                | -                         | 4,428                |
| Society headquarters salaries                         | 989,878              | -                         | 989,878              |
| Society headquarters office fringe benefits           | 289,603              | -                         | 289,603              |
| Society headquarters office facilities and operations | 264,134              | -                         | 264,134              |
| Resale items  | 345,724              | -                         | 345,724              |
| Board of directors travel                             | 56,090               | -                         | 56,090               |
| Depreciation  | 95,877               | -                         | 95,877               |
| Fundraising   | 65,164               | -                         | 65,164               |
| Chapter support                                       | 25,347               | -                         | 25,347               |
| Committee meetings                                    | 10,490               | -                         | 10,490               |
| Marketing and members benefits                        | 553,547              | -                         | 553,547              |
| Investment expense                                    | 68,203               | -                         | 68,203               |
| Other society headquarters expenses                   | 166,030              | -                         | 166,030              |
| Convention expense                                    | 205,426              | -                         | 205,426              |
|   | <u>3,620,763</u>     | <u>-</u>                  | <u>3,620,763</u>     |
| Total expenses  |                      |                           |                      |
| Change in net assets                                  | (2,094,610)          | 53,534                    | (2,041,076)          |
| Net assets at beginning of year                       | <u>32,334,178</u>    | <u>1,999,515</u>          | <u>34,333,693</u>    |
| Net assets at end of year                             | <u>\$ 30,239,568</u> | <u>\$ 2,053,049</u>       | <u>\$ 32,292,617</u> |



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

## COMBINED STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2009 & 2008

|  | <u>2009</u>         | <u>2008</u>         |
|--|---------------------|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>   |                     |                     |
| Change in net assets   | \$ (3,949,711)      | \$ (2,041,076)      |
| Less donor-restricted contributions  | <u>(10,200)</u>     | <u>(53,534)</u>     |
|  | (3,959,911)         | (2,094,610)         |
| Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities: |                     |                     |
| Loss on sale of office furniture and equipment   | -                   | 2,277               |
| Depreciation   | 89,040              | 95,877              |
| Amortization and accretion of bond discount/premium  | 16,416              | 21,930              |
| Gain/(losses) on sales of marketable securities  | 75,658              | (40,315)            |
| Unrealized appreciation/depreciation of marketable securities  | 4,821,233           | 3,467,981           |
| Changes in operating assets and liabilities:   |                     |                     |
| Accrued interest receivable  | (43,395)            | 7,380               |
| Inventory  | (31,423)            | (49,665)            |
| Accounts receivable and other assets   | 5,171               | (7,947)             |
| Advance payment of dues  | 171,103             | 375,665             |
| Advance payment - convention   | -                   | (41,121)            |
| Accounts payable and accrued expenses  | 78,211              | (31,605)            |
| Due to chapters  | <u>64,085</u>       | <u>4,141</u>        |
| Net cash provided by operating activities  | <u>1,286,188</u>    | <u>1,709,988</u>    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                     |                     |
| Purchase of marketable securities  | (2,623,043)         | (2,405,391)         |
| Proceeds from sales and maturities of marketable securities  | 1,769,281           | 895,409             |
| Purchases of property and equipment  | <u>(78,817)</u>     | <u>(82,717)</u>     |
| Net cash used in investing activities  | <u>(932,579)</u>    | <u>(1,592,699)</u>  |
| Net increase in cash and cash equivalents  | 353,609             | 117,289             |
| Cash and cash equivalents at beginning of year   | <u>1,121,935</u>    | <u>1,004,646</u>    |
| Cash and cash equivalents at end of year   | \$ <u>1,475,544</u> | \$ <u>1,121,935</u> |
| Supplemental data:   |                     |                     |
| Noncash gift of building rental  | \$ <u>-</u>         | \$ <u>34,547</u>    |

The accompanying notes are an integral part of these combined financial statements.



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

## NOTES TO COMBINED FINANCIAL STATEMENTS

### 1. Summary of Significant Accounting Policies

The combined financial statements as of and for the years ended June 30, 2009 and 2008 include the accounts of The Honor Society of Phi Kappa Phi (Society) and the Phi Kappa Phi Foundation (Foundation, and together with the Society, Phi Kappa Phi), which are affiliated through common management. The accounting policies which materially affect the determination of financial position and results of activities are summarized below. All intercompany revenues and expenses and all intercompany receivables and payables have been eliminated in combination.

#### Objectives of Phi Kappa Phi

The primary objectives of Phi Kappa Phi are to promote the pursuit of excellence in all fields of higher education, to recognize outstanding achievement by students, faculty, and others through election to membership and through various other awards for distinguished achievement, and to engage the community of scholars in service to others.

#### Basis of Combined Financial Statements

The accompanying combined financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America.

Net assets and revenues, expenses, gains, and losses are classified based upon the existence or absence of donor-imposed restrictions. Accordingly, net assets of Phi Kappa Phi and changes therein are classified and reported as follows:

- Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.
- Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of Phi Kappa Phi and/or passage of time.
- Permanently restricted net assets - Net assets subject to donor-imposed stipulations require that they be maintained permanently by Phi Kappa Phi. Contributions to the Foundation may be donor restricted to one of five programs. These programs are the Fellowship Program, the Society Scholar and Artist Award Program, the Literacy Program, the Study Abroad Program, and the Promotion of Excellence Grant Program. Contributions to the Society may be donor restricted if funds are exclusively for the Building Fund. The Foundation and Society records these donations as permanently restricted.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expiration of temporary restrictions on net assets (i.e. the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) is reported as net assets released from restriction. According to the Foundation's Bylaws, the Foundation is empowered to solicit, collect, and manage monetary and other fiscal resource contributions. The value of each contribution, at time of acquisition, is to be added to the permanent fund. The corpus of these additions is to be maintained throughout the life of the Foundation. Earnings from the corpus in the form of interest, dividends, annual net realized gains from sales or exchanges, and other forms of return on investments may be used to meet the objectives of the Foundation. Investment income is recorded in the unrestricted fund.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the condition on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

#### Cash and Cash Equivalents

Phi Kappa Phi considers cash in banks, cash held in trust funds, and commercial paper due on demand to be cash equivalents. Cash and cash equivalents are recorded at cost, which approximates fair market value.



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

## NOTES TO COMBINED FINANCIAL STATEMENTS *(continued)*

### 1. Summary of Significant Accounting Policies *(continued)*

#### **Investments - Marketable Securities**

Investments in marketable securities include debt and equity securities to be held for indefinite periods of time and not necessarily intended to be held to maturity or on a long-term basis. Securities held for indefinite periods of time include securities that management intends to use as part of its overall investment strategy and that may be sold in response to changes in interest rates, prepayment rates, liquidity needs, or other reasons.

Investments in marketable securities are carried at fair value. Unrealized holding gains and losses for marketable securities are included in the accompanying combined statements of activities.

Interest and dividends earned on marketable securities are recognized on the accrual basis of accounting and are included in return on investments in the accompanying combined statements of activities. Also included in return on investments are amortization of premiums and accretion of discounts on securities, which are computed on a level yield basis. Dividend income is recognized on the ex-dividend date.

Purchases and sales of marketable securities are recorded on a trade date basis. The adjusted cost of each specific security is used to determine gains or losses on sales of marketable securities. The fair market value for marketable securities is determined from quoted market prices as of fiscal year end.

#### **Inventories**

Inventories include Phi Kappa Phi emblems, certificates, tie tacks, clothing and other materials sold to members. Inventories are stated at lower of cost or market using the first-in, first-out method.

#### **Property and Equipment**

It is the policy of Phi Kappa Phi to capitalize all expenditures for equipment and property in excess of \$700. Those items with a cost of less than \$700 are expensed in the year of acquisition. All property and equipment are stated at cost if purchased or, if donated, fair market value at the date of the gift, less accumulated depreciation.

Repairs and maintenance expenses are charged to operations when incurred and major betterment and replacements are capitalized.

Depreciation is provided using the straight-line method over the estimated useful lives, which range from 3 to 7 years for furniture and equipment and 39 years for building. Depreciation expense is \$89,039 and \$95,877, respectively, for the years ended June 30, 2009 and 2008.

#### **Membership Dues and Initiation Fees**

Membership dues are deferred and recognized as revenue over the applicable membership period. Active-for-life membership dues are recognized as revenue in the period when payment is received. Initiation fees are recorded as revenue in the period when the fees are due.

#### **Tax Status**

Phi Kappa Phi is exempt from federal income taxes on its related income under Section 501 (a) of the Internal Revenue Code as an organization described in IRC Section 501 (c)(3). Accordingly, no provision for income taxes has been made; however, should Phi Kappa Phi engage in activities unrelated to the purpose for which it was created, taxable income could result. Phi Kappa Phi had no material unrelated to business income for the fiscal years ended June 30, 2009 and 2008.



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

## NOTES TO COMBINED FINANCIAL STATEMENTS (continued)

### 1. Summary of Significant Accounting Policies (continued)

#### Estimates

The preparation of Combined Financial Statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures of contingent assets and liabilities at the date of the Combined Financial Statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

### 2. Cash and Cash Equivalents

Cash and cash equivalents at June 30:

|                                 | <u>2009</u>         | <u>2008</u>         |
|---------------------------------|---------------------|---------------------|
| Cash in banks                   | \$ 116,528          | \$ 150,948          |
| Money market mutual funds       | <u>1,359,016</u>    | <u>970,987</u>      |
| Total cash and cash equivalents | <u>\$ 1,475,544</u> | <u>\$ 1,121,935</u> |

Phi Kappa Phi maintains deposit accounts with a commercial bank which may, periodically, exceed the federally insured amount.

### 3. Investments - Marketable Securities

The following is a summary of investments held at fair value at June 30:

|                             | <u>2009</u>          | <u>2008</u>          |
|-----------------------------|----------------------|----------------------|
| Debt securities:            |                      |                      |
| U.S. government obligations | \$ 241,174           | \$ 105,547           |
| Corporate obligations       | 219,342              | 169,924              |
| Mortgage-backed securities  | -                    | <u>321,963</u>       |
| Total debt securities       | <u>460,516</u>       | <u>597,434</u>       |
| Equity mutual funds         | 13,064,617           | 16,646,811           |
| Fixed income mutual funds   | <u>14,116,923</u>    | <u>14,447,156</u>    |
| Total marketable securities | <u>\$ 27,642,056</u> | <u>\$ 31,691,401</u> |



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

## NOTES TO COMBINED FINANCIAL STATEMENTS (continued)

### 4. Return on Investments

The following is a summary of the return on investments for the years ended June 30:

|  | Society         | Foundation      | 2009<br>Combined | 2008<br>Combined |
|--|-----------------|-----------------|------------------|------------------|
| Dividends and interest                     | \$ 460,237      | \$ 547,005      | \$ 1,007,242     | \$ 1,057,563     |
| Net realized and unrealized gains (losses) | ( 1,801,750)    | ( 3,066,286)    | ( 4,868,036)     | ( 2,854,860)     |
| Total return on investments                | ( \$ 1,341,513) | ( \$ 2,519,281) | ( \$ 3,860,794)  | ( \$ 1,797,297)  |

### 5. Fair Value Measurements

FASB Statement No. 157, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB Statement No. 157 are described as follows:

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that Phi Kappa Phi has the ability to access.
- Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2008.

*Mutual funds/ U.S. Government obligations/ Corporate obligations/ Mortgage-backed securities:* Valued at the net asset value (NAV) of shares held by the Plan at year end.

Investments in equity and fixed income mutual funds are classified as Level 1 (\$27,181,540); government securities and corporate obligations are classified as Level 2 (\$460,516).

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

## NOTES TO COMBINED FINANCIAL STATEMENTS (continued)

### 6. Accounts Payable and Accrued Interest

Accounts payable and accrued expenses at June 30, 2009 and 2008 are as follows:

|                             | 2009              | 2008              |
|-----------------------------|-------------------|-------------------|
| Accounts payable - trade    | \$ 108,020        | \$ 40,637         |
| Accrued sick and leave time | 146,031           | 126,780           |
| Other accrued expenses      | 2,409             | 10,832            |
|                             | <u>\$ 256,460</u> | <u>\$ 178,249</u> |

### 7. Capital Lease

In 2003, the Society entered into a capital lease for office equipment. The amortization of assets under capital lease is included in depreciation for 2009.

The following is a summary of equipment under capital lease at June 30:

|                               | 2009            |
|-------------------------------|-----------------|
| Equipment                     | \$ 41,052       |
| Less accumulated amortization | <u>(36,165)</u> |
|                               | <u>\$ 4,887</u> |

There are no remaining future minimum lease payments under the lease.

### 8. Benefit Plan

Phi Kappa Phi has a defined contribution pension plan that covers all full-time employees. Phi Kappa Phi contributes an amount equal to 11% of employees' salaries. Employees make no contributions and are immediately vested in the employer contribution. Pension expense charged to operations for the years ended June 30, 2009 and 2008 was \$87,075 and \$88,705 respectively.

### 9. Net Assets

Permanently restricted net assets consist of the following as of June 30:

|                            | 2009                | 2008                |
|----------------------------|---------------------|---------------------|
| Fellowship Program         | \$ 1,630,163        | \$ 1,630,163        |
| Promotion of Excellence    | 6,612               | 6,612               |
| Scholar and Artist Program | 10,978              | 10,978              |
| Literacy Program           | 790                 | 790                 |
| Study Abroad Program       | 33,391              | 33,191              |
| Building Fund              | <u>381,315</u>      | <u>371,315</u>      |
|                            | <u>\$ 2,063,249</u> | <u>\$ 2,053,049</u> |

### 10. Reclassifications

Certain balances in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements. These reclassifications had no impact on the change in net assets.



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

## COMBINING SCHEDULE FINANCIAL POSITION INFORMATION

YEARS ENDED JUNE 30, 2009 & 2008

|  | Society              | Foundation           | Eliminations       | 2009<br>Combined     | 2008<br>Combined     |
|--|----------------------|----------------------|--------------------|----------------------|----------------------|
| <b>Current assets:</b>                           |                      |                      |                    |                      |                      |
| Cash and cash equivalents                        | \$ 734,722           | \$ 740,822           | \$ -               | \$ 1,475,544         | \$ 1,121,935         |
| Investments - marketable securities              | 12,071,320           | 13,507,487           | -                  | 25,578,807           | 29,638,352           |
| Accrued interest receivable                      | 31,544               | 24,189               | -                  | 55,733               | 12,338               |
| Inventory  | 169,761              | -                    | -                  | 169,761              | 138,338              |
| Accounts receivable and other assets             | 134,446              | 949                  | -                  | 135,395              | 140,566              |
| Receivable from Foundation/Society               | <u>66,759</u>        | <u>-</u>             | <u>(66,759)</u>    | <u>-</u>             | <u>-</u>             |
| Total current assets                             | 13,208,552           | 14,273,447           | (66,759)           | 27,415,240           | 31,051,529           |
| <b>Property, plant, and equipment:</b>           |                      |                      |                    |                      |                      |
| Land   | 114,000              | -                    | -                  | 114,000              | 114,000              |
| Building   | 760,669              | -                    | -                  | 760,669              | 741,768              |
| Furniture and equipment                          | 1,009,729            | -                    | -                  | 1,009,729            | 949,813              |
| Less: accumulated depreciation                   | <u>(924,510)</u>     | <u>-</u>             | <u>-</u>           | <u>(924,510)</u>     | <u>(835,470)</u>     |
| Total property, plant, & equipment               | 959,888              | -                    | -                  | 959,888              | 970,111              |
| <b>Other assets:</b>                             |                      |                      |                    |                      |                      |
| Investments - marketable securities - restricted | <u>381,315</u>       | <u>1,681,934</u>     | <u>-</u>           | <u>2,063,249</u>     | <u>2,053,049</u>     |
| Total assets                                     | <u>\$ 14,549,755</u> | <u>\$ 15,955,381</u> | <u>\$ (66,759)</u> | <u>\$ 30,438,377</u> | <u>\$ 34,074,689</u> |
| <b>Current liabilities:</b>                      |                      |                      |                    |                      |                      |
| Advance payment - dues                           | \$ 1,346,584         | \$ -                 | \$ -               | \$ 1,346,584         | \$ 1,309,067         |
| Accounts payable and accrued expenses            | 256,460              | -                    | -                  | 256,460              | 178,249              |
| Due to chapters                                  | 129,228              | -                    | -                  | 129,228              | 65,143               |
| Due to Foundation/Society                        | <u>-</u>             | <u>66,759</u>        | <u>(66,759)</u>    | <u>-</u>             | <u>-</u>             |
| Total current liabilities                        | 1,732,272            | 66,759               | (66,759)           | 1,732,272            | 1,552,459            |
| <b>Long-term liabilities:</b>                    |                      |                      |                    |                      |                      |
| Advance payment of dues                          | <u>363,199</u>       | <u>-</u>             | <u>-</u>           | <u>363,199</u>       | <u>229,613</u>       |
| Total liabilities                                | <u>2,095,471</u>     | <u>66,759</u>        | <u>(66,759)</u>    | <u>2,095,471</u>     | <u>1,782,072</u>     |
| Net assets - unrestricted                        | 12,072,969           | 14,206,688           | -                  | 26,279,657           | 30,239,568           |
| Net assets - permanently restricted              | <u>381,315</u>       | <u>1,681,934</u>     | <u>-</u>           | <u>2,063,249</u>     | <u>2,053,049</u>     |
| Total net assets                                 | <u>12,454,284</u>    | <u>15,888,622</u>    | <u>-</u>           | <u>28,342,906</u>    | <u>32,292,617</u>    |
| Total liabilities and net assets                 | <u>\$ 14,549,755</u> | <u>\$ 15,955,381</u> | <u>\$ (66,759)</u> | <u>\$ 30,438,377</u> | <u>\$ 34,074,689</u> |

See accompanying auditors' report.



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

## COMBINING SCHEDULE ACTIVITIES INFORMATION

YEARS ENDED JUNE 30, 2009 & 2008

|   | Society              | Foundation           | 2009<br>Combined     | 2008<br>Combined     |
|---|----------------------|----------------------|----------------------|----------------------|
| <b>Revenues, gains and other support:</b>             |                      |                      |                      |                      |
| Contributions   | \$ 22,700            | \$ 132,772           | \$ 155,472           | \$ 275,156           |
| Annual membership dues                                | 1,919,617            | -                    | 1,919,617            | 1,732,831            |
| Initiation fees                                       | 468,270              | -                    | 468,270              | 500,835              |
| Active-for-life memberships                           | 423,125              | -                    | 423,125              | 485,220              |
| Dividends and interest                                | 460,237              | 547,005              | 1,007,242            | 1,057,563            |
| Net unrealized and realized losses on investments     | (1,801,750)          | (3,066,286)          | (4,868,036)          | (2,854,860)          |
| Sales of emblems, certificates, etc.                  | 210,699              | -                    | 210,699              | 209,042              |
| Royalty income  | 32,609               | 130,212              | 162,821              | 158,808              |
| Other   | 13,061               | 579                  | 13,640               | 15,092               |
| Total revenues, gains, (losses) and other support     | <u>1,748,568</u>     | <u>(2,255,718)</u>   | <u>(507,150)</u>     | <u>1,579,687</u>     |
| <b>Expenses:</b>                                      |                      |                      |                      |                      |
| Fellowships Program                                   | -                    | 392,753              | 392,753              | 350,822              |
| Literacy Grants                                       | -                    | 27,202               | 27,202               | 30,000               |
| Study Abroad Program                                  | -                    | 50,000               | 50,000               | 50,000               |
| Scholar/Artist Program                                | -                    | 0                    | -                    | 10,000               |
| Love of Learning award                                | -                    | 25,000               | 25,000               | 25,000               |
| Emerging Scholar award                                | -                    | 15,000               | 15,000               | 15,000               |
| Commemoratives  | 3,835                | -                    | 3,835                | 4,428                |
| Society headquarters salaries                         | 826,716              | 164,867              | 991,583              | 989,878              |
| Society headquarters office fringe benefits           | 235,131              | 49,477               | 284,608              | 289,603              |
| Society headquarters office facilities and operations | 234,777              | 15,710               | 250,487              | 264,134              |
| Resale items  | 333,188              | -                    | 333,188              | 345,724              |
| Board of directors travel                             | 51,566               | 2,686                | 54,252               | 56,090               |
| Depreciation  | 89,039               | -                    | 89,039               | 95,877               |
| Fundraising   | -                    | 13,892               | 13,892               | 65,164               |
| Chapter support                                       | 49,116               | -                    | 49,116               | 25,347               |
| Committee meetings                                    | 20,801               | 746                  | 21,547               | 10,490               |
| Marketing and members benefits                        | 600,493              | -                    | 600,493              | 553,547              |
| Investment expense                                    | 27,067               | 33,183               | 60,250               | 68,203               |
| Other society headquarters office expenses            | 164,684              | 15,264               | 179,948              | 166,030              |
| Convention expense                                    | 368                  | -                    | 368                  | 205,426              |
| Total expenses  | <u>2,636,781</u>     | <u>805,780</u>       | <u>3,442,561</u>     | <u>3,620,763</u>     |
| Change in net assets                                  | (888,213)            | (3,061,498)          | (3,949,711)          | (2,041,076)          |
| Net assets at beginning of year                       | <u>13,842,497</u>    | <u>18,450,120</u>    | <u>32,292,617</u>    | <u>34,333,693</u>    |
| Transfer of net assets                                | (500,000)            | 500,000              | -                    | -                    |
| Net assets at end of year                             | <u>\$ 12,454,284</u> | <u>\$ 15,888,622</u> | <u>\$ 28,342,906</u> | <u>\$ 32,292,617</u> |

See accompanying auditors' report.



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

## Report of the Bylaws Committee to the 2010 Convention

### *Committee Members:*

*Sylvia Burgess, Bylaws Committee Chair*

*Burt Bargerstock, Michigan State Chapter President*

*Kathy Brown, North Carolina State Chapter President*

### *Ex-Officio Members:*

*Lourdes Barro, Associate Director Chief Financial Officer*

*Robert Rogow, Phi Kappa Phi Society President*

*Perry Snyder, Executive Director, Phi Kappa Phi*

*Penny Wright, Regent, Board Representative for Chapter Relations Committee*

The Bylaws Committee, along with President-Elect Bill Bloodworth, met in Baton Rouge, Louisiana, on January 22 -23, 2010. A thorough review of the Bylaws was undertaken, with several objectives in mind:

- To review and clarify language throughout the Bylaws to ensure consistency and to appropriately reflect actual practices of the Society
- To consider greater opportunities for participation and voting by all members, including members not directly affiliated with local chapters
- To update language regarding electronic voting

The Committee engaged in extensive discussion and debate about the various provisions of the Bylaws. After two days of meetings, a consensus was reached by the members of the basic concepts to be reflected in the proposed draft to be sent forward to the Board of Directors for consideration. The Committee also agreed to electronically review and complete the editing of the document prior to forwarding to the Board. Penny Wright, who served as secretary for the meeting, developed the draft and circulated it among the members. Over a period of several weeks, the draft was edited, corrected and refined by the members of the Committee.

In late March, the proposed amended Bylaws were forwarded to the Board of Directors as a Motion from the Bylaws Committee for consideration at the April 9, 2010 Board of Directors meeting in Baton Rouge. Prior to the meeting, members of the entire Board of Directors, as well as members of the Chapter Relations Committee of the Board, had undertaken a thorough review of the existing and



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

proposed amended Bylaws. Sylvia Burgess, Bylaws Committee Chair, was invited to, and attended the Board discussion of the proposed amended Bylaws. In light of significant amendments from the 2007 Triennial Convention, the Board expressed concern about making further substantial amendments before complete implementation of amendments made at the last Convention. After further discussion, the Board referred the proposed amended Bylaws to an ad hoc Bylaws Reconciliation Committee from the membership of the Board: Penny Wright,

-----

After further review and revision by the Bylaws Reconciliation Committee, the modified proposed Bylaws were submitted to a special meeting of the Board of Directors, via conference call, on May 4, 2010. Sylvia Burgess participated on behalf of the Bylaws Committee at the invitation of the President, Bob Rogow. The Board discussed each proposed modification proposed by the Bylaws Reconciliation Committee. Additional revisions discussed by the Board were also considered. As a motion coming from the Bylaws Committee, the Board of Directors approved a final set of proposed amended Bylaws, incorporating revisions of the Bylaws Committee, as modified by the Bylaws Reconciliation Committee and the Board of Directors, on May 4, 2010.

Although there are additional issues to be considered in the future, the consensus was that the proposed amendments will clarify operational rules set forth in the Bylaws. The Bylaws Committee and the Board also agreed that the proposed substantive amendments will greatly benefit the entire Society membership, will stimulate greater involvement by members not associated with local chapters, and yet will preserve Chapter rights and strengths.



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

## THE BYLAWS OF THE HONOR SOCIETY OF PHI KAPPA PHI, INC.

A Nonprofit Corporation

*Revised August 2007*

### PREAMBLE

The Honor Society of Phi Kappa Phi, Inc., a nonprofit corporation, shall be governed in accordance with the laws of the State of Michigan; with the Corporation's Articles of Incorporation, amended to authorize operation in the State of Louisiana and with its additional amendments, if any; and with these Bylaws as amended periodically.

This corporation is the successor to an unincorporated association known as The Honor Society of Phi Kappa Phi. In these Bylaws, this corporation will be referred to as the "Corporation," "Society," or "Phi Kappa Phi" and the Society Board of Directors will be referred to as the "Board."

### ARTICLE I

#### Name and Objectives

*Section 1.* The name of the Society is The Honor Society of Phi Kappa Phi.

*Section 2.* The primary objectives of the Society are to promote the pursuit of excellence in all fields of higher education; to recognize outstanding achievement by students, faculty, and others through invitation to membership and through various awards for distinguished achievement; and to engage the community of scholars in service to others.

### ARTICLE II

#### Membership

*Section 1.* Membership in the Society is open to scholars with integrity and high ethical standards from all academic disciplines without regard to a person's race, color, gender, national origin, religion, age, disability, genetic information, or sexual orientation. Members who so choose may become active members in more than one chapter by submitting chapter dues to each chapter.

*Section 2.* ~~Persons initiated into membership remain members even though they do not maintain active membership.~~

*Section 2.3.* The following membership categories are authorized:

23.1 Active Members: Regular Active members of the Society are those who have paid Society dues for the current year; those who pay both Society dues and chapter dues (where required by the chapter) are also active members of the Society and the chapter. Members



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

who fail to pay Society dues for the current year are inactive members who do not enjoy the privileges of voting, serving on committees, or serving as chapter or Society officers.

~~3.11 Affiliated. They have been invited and initiated, and have paid chapter and Society dues for the current year.~~

~~3.12 Unaffiliated. They have been invited and initiated, and have paid Society dues, but not chapter dues, for the current year.~~

## 23.2 Active Members: Life

~~23.21 Active-for-Life. They have been invited and initiated, and have paid the Active-for-Life membership fee or have been accorded this status by the action of the Board. To maintain affiliated status, they must pay Active-for-Life members of the Society who wish to remain active Chapter members must continue to pay any required Chapter dues, as determined by each Chapter. otherwise they will be classified as unaffiliated.~~

~~3.22 Emeritus. They have been invited and initiated, have retired from professional duties, have been recommended for this status by their chapters, and approved by the Executive Director. Upon payment of a one-time fee, paid either by the chapter or by the individual, these members are granted Active-for-Life status in the Society as well as in the chapter of affiliation.~~

~~23.232 Distinguished. An active or inactive member who has served the Society in an outstanding manner may be nominated for Distinguished membership by a member or a chapter. Upon the payment of the cost of Active-for-Life membership, and upon approval by a Board subcommittee appointed by the President, the individual will receive an Active-for-Life membership in Phi Kappa Phi and a distinguished member certificate.~~

~~23.234 Honorary. A nonmember (not an alumnus, alumna, employee, or student of the university) who has achieved eminence in some academic, creative, intellectual or other career endeavor may be nominated for Honorary Membership by a member or a chapter. Upon the payment of the cost of five years' membership dues in Phi Kappa Phi, and upon approval by a Board subcommittee appointed by the President, the individual will receive an Honorary Membership in Phi Kappa Phi and an honorary member certificate. A chapter may choose to honor a member by purchasing an Active-for-Life membership.~~

## 3.3 Inactive Members:

~~3.31 They have not paid Society dues for the current year.~~

~~3.32 Such members shall be returned to active status when Society dues are paid for the current year.~~



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

## 23.34 Charter Members

~~23.3141~~ They have participated in the organization of a new chapter and have been accorded the privilege of signing the charter through the acceptance of their petition by the Board.

~~23.3242~~ Those petitioners who are active members of the Society by previous initiation in another chapter have the option of a) becoming active members of the new chapter or b) being active members in both chapters by submitting chapter dues to both chapters. They shall be either (a) active members of the Society by previous initiation in another chapter who are willing to transfer their affiliation or (b) members of the faculty, administration, or professional staff of the institution who are about to be initiated.

~~23.3343~~ For those petitioners who are not members of the Society Phi Kappa Phi but are members of the faculty, administration, or professional staff, approval of the petition constitutes authorization by the Board for their initiation into the Society immediately subsequent to the installation of the chapter.

~~23.3444~~ They may continue their active participation as Affiliated, Unaffiliated Active members or Active-for-Life members.

*Section 34. Eligibility for membership in the Society shall be confined to the following: Only those persons who are recognized as scholars by individual chapters, in compliance with the following standards, and any "Honorary Members" as described in Section 2.23 above, shall be eligible for membership:*

~~34.1~~ Undergraduate students in any department of a college or university having an institutional chapter who have completed at least twenty-four (24) semester hours or the equivalent at that institution, and

~~34.11~~ who, in their junior year, rank scholastically in the upper seven and one-half (7.5) percent of the class, after completing at least two (2) academic years or seventy-two (72) semester hours or the equivalent, or

~~34.12~~ who, in their senior year, rank scholastically in the upper ten (10) percent of the class after completing at least three (3) academic years or ninety (90) semester hours or the equivalent at the time of invitation.

~~34.13~~ Eligibility may be determined separately for each academic unit within a member institution, e.g., department, school, or college.

~~3.14~~ For those institutions that do not rank students using grades, the Chapter shall include the method of determining eligibility in its Chapter Bylaws.



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

~~3.4.2~~ Graduate and professional students in any college or university having an institutional chapter, who demonstrate have an outstanding record in graduate or professional study as evidenced by ranking scholastically in the upper ten (10) percent of all graduate and professional students in that institution, had an outstanding record as evaluated by the chapter selection committee, and meet one (1) of the following requirements:

~~3.4.21~~ Have been registered as post-baccalaureate students in the institution on a full-time basis for at least one (1) academic year or on a part-time basis for the equivalent of at least one (1) academic year or 18 semester units or the equivalent.

~~3.4.22~~ Are former post-baccalaureate students who have been awarded an advanced degree by the institution subsequent to the last previous invitation of members in the chapter.

~~3.4.23~~ Eligibility may be determined separately for each academic unit or program within a member institution, e.g., department, school, or college.

~~3.4.24~~ For those institutions that do not rank students using grades, the Chapter shall include the method of determining eligibility in its Chapter Bylaws.

~~3.4.3~~ Alumni who are graduates from any class of five (5) years' standing or more.

These should be persons whose achievements since graduation have been outstanding and whose scholastic records while in college were high, with an increasing emphasis on the former as the period since graduation becomes longer.

~~3.4.31~~ The number of members initiated in any year by an institutional chapter from the alumni of that institution, with the exception of the first five (5) years after the installation of the chapter, shall not exceed two (2) percent of the number of undergraduates and graduate students invited by the chapter that year.

~~3.4.32~~ Chapters that invite fewer than two hundred (200) students per year shall be allowed to initiate a maximum of four (4) persons per year from the eligible alumni or alumnae of that institution.

~~3.4.4~~ Members of the institution's faculty, administration, and professional staff (including research, library, and extension staffs) whose scholastic records and/or outstanding achievements have rendered them worthy of membership.

~~3.4.41~~ Members of the faculty, administration, and professional staff who do not hold a collegiate degree, but who have distinguished themselves professionally, may be initiated provided prior approval for their initiation is obtained from the Board.



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

~~34.~~ 42 The number of members initiated in any year by an institutional chapter from the faculty, administration, and professional staff of that institution, with the exception of the first five (5) years after the installation of the chapter, shall not exceed three (3) percent of the number of students invited by the chapter that year.

~~34.43~~ Chapters that invite fewer than two hundred (200) students per year shall be allowed to initiate a maximum of six (6) persons per year from the faculty, administration, and professional staff of that institution.

## ~~34.5~~ Members of New Chapters

~~34.51~~ Members of a predecessor honor society functioning in the manner of Phi Kappa Phi who would have qualified for membership in Phi Kappa Phi under requirements specified in subsections 4.1, 4.2, 4.3, and 4.4 above may be invited to membership provided they are invited by the institutional chapter within five (5) years after the chapter's installation.

~~34.52~~ Graduates of an institution where no predecessor honor society similar to Phi Kappa Phi existed and who would have qualified for membership in Phi Kappa Phi under requirements specified in subsections 4.1, 4.2, 4.3, and 4.4 above may be invited to membership provided they are invited by the institutional chapter within five (5) years after the chapter's installation.

## *Section 45. Invitation to Membership*

~~45.1~~ All invitations to membership shall be approved either at a regularly called meeting of the chapter at which a quorum is present OR by mail or electronic mail ballot sent to all affiliated active members OR by the chapter's executive committee.

~~45.2~~ An affirmative vote of two-thirds (2/3) shall be necessary for the approval of any person for membership.

## *Section 56. Membership Privileges*

~~56.1~~ Active members have access to all available benefits offered by the Society and are eligible to

~~56.11~~ Vote in chapters, if affiliated Society and chapter dues are current.

~~56.12~~ Hold office in chapters, if affiliated. Society and chapter dues are current.

~~56.13~~ Serve as chapter delegates to any Convention, if affiliated Society and chapter dues are current.



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

56.14 Serve on Society committees if Society dues are current.

56.15 Hold Society office if Society dues are current.

56.2 Charter members have the privilege of signing the charter for a new chapter.

## *Section 67. Membership Responsibilities*

67.1 Members should conduct themselves at all times in a manner consistent with integrity and high ethical standards.

67.2 If a member fails to conduct himself/herself in a manner consistent with integrity and high ethical standards, his/her membership may be revoked by his/her Chapter's Executive Committee or by the Society's Board of Directors in accordance with Society policy.

67.3 If his or her membership is revoked, the former member has the right to appeal this decision to the Society President.

## ARTICLE III Chapters and Regions

### *Section 1. Chartering of Chapters*

1.1 The Board shall establish policies and rules of procedure for

1.11 Submission of petitions for new chapters.

1.12 Review of petitions.

1.13 Execution and presentation of charters.

1.14 Payment of petitioning and chartering fees.

1.15 Placement of chapters on inactive status.

1.16 Withdrawal of charter.

1.2 Eligibility to Petition for Chapter

1.21 An institutional chapter may be established in any college or university which holds regional accreditation, offers a baccalaureate degree, manifests Phi Kappa Phi standards of quality, and meets basic institutional requirements as approved by the Board.



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

- 1.22 An alumni chapter may be chartered by the Board any place where the objectives of the Society would be promoted thereby.

## *Section 2. Functions of Chapters*

### 2.1 Institutional chapters shall

- 2.11 Hold two (2) or more meetings a year, at one (1) of which a program should be presented.
- 2.12 Recognize outstanding achievements through invitation to membership.
- 2.13 Sponsor programs and activities that support and recognize scholarship and/or service.
- 2.14 Participate through the chapter president in regional elections and other voting between biennial Conventions.
- 2.15 Send a delegate to Society Conventions and regional meetings and workshops.

### 2.2 Alumni chapters shall

- 2.21 Hold two (2) or more meetings a year, at one (1) of which a program should be presented.
- 2.22 Sponsor programs and activities that support and recognize scholarship and/or service.
- 2.23 Participate through the chapter president in regional elections and other voting between Conventions.
- 2.24 Send a chapter delegate to Society Conventions and regional meetings and workshops.

## *Section 3. Chapter Bylaws*

- 3.1 This document shall be in accordance with the bylaws of the Society.
- 3.2 Upon adoption or revision, a copy shall be filed with the Executive Director of the Society.
- 3.3 A quorum for meetings shall be specified in the chapter bylaws.
- 3.4 When chapter bylaws are updated solely to reflect changes in Society bylaws as approved by Convention, the chapter bylaws may be amended without a vote of the general membership.



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

## Section 4. Chapter Governance

- 4.1 The elective officers shall include at least a President, a President Elect, a Faculty Vice President, a Secretary, a Treasurer, and at least two (2) Student Vice Presidents, and a Public Relations Officer. ~~These officers shall be affiliated members of the chapter in which they hold office. With the exception of the two (2) Student Vice Presidents, the other officers shall not be students. Additional offices to be held by faculty, administrators, professional staff, students, or alumni may be established as the chapter may prescribe, e.g., a Public Relations Officer or Member-at-Large.~~
- 4.2 The terms of chapter officers shall be for two (2) years, except for the student vice presidents whose terms shall be for one (1) year. Chapter officers may be reelected. ~~or until their successors are installed.~~
- 4.3 The election of officers may occur at any time. A report shall be sent promptly, and in no case later than June 15, to the Executive Director of the Society.
- 4.4 The management of the chapter shall be vested in an executive committee, consisting of the above chapter officers, ~~the immediate past president~~, and such additional members as the chapter may prescribe.
- 4.5 The duties of the President, Vice President, Secretary, and Treasurer shall be such as usually pertain to these offices, ~~together with other such duties as the bylaws of the chapter may prescribe.~~
- 4.6 It shall be the duty of the Public Relations Officer to engage in such public information activities as the chapter may desire and also to report to the Executive Director of the Society ~~the activities of the chapter, to supply the Executive Director with items of interest about the members, and, in general, to be cooperative with him/her in collecting suitable material for publication.~~
- 4.57 The chapter president shall, with the advice and consent of the chapter executive committee, exercise the chapter's voting rights in election of Regional Representatives and other voting by chapters between Conventions.
- 4.571 When a ballot is submitted ~~mailed~~ to chapters, each chapter president shall be responsible for completing it and returning it promptly to the Executive Director of the Society or other designated officer.
- 4.572 At Conventions, the chapter's delegate shall vote on behalf of the chapter. The delegate may be the chapter president, chapter president elect, or an affiliated member, ~~or any other active member designated by the chapter as its proxy.~~



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

## Section 5. Chapter Inactive Status and Charter Withdrawal

- 5.1 The Board by a majority vote may place a chapter on inactive status if the chapter has ~~become inactive by not initiating~~ not initiated any new members ~~persons~~ within a three (3)-year period, if the chapter has not followed basic procedures or policies, or if the chapter has not served the best interest of the Society.
- 5.2 The Board by a two-thirds (2/3) vote may withdraw the charter of any chapter if it has become inactive, if it has not followed basic procedures and policies, or if such withdrawal is deemed in the best interest of the Society.
- 5.3 The Board is responsible for establishing policy for the re-chartering of chapters.

~~Section 6. Residual Assets.~~ 6.1 The residual assets of any chapter placed on inactive status or whose charter has been withdrawn shall be deposited in a restricted Society account. If the chapter has not been restored to active status or reinstated within five (5) years, these assets and any interest thereupon will be placed in the Society's operating investment fund. ~~revert to the Society's Operating Investment Fund.~~

- ~~6.2 The residual assets and related investment income placed with the Society's Operating Investment Fund may revert to the chapter if inactive status is removed.~~

## Section 7. Regional Organization

- 7.1 The chapters of the Society shall be grouped in regions, the names and boundaries of which shall be established by the Board or by a vote of chapters.
- 7.2 The chapters of each region shall be represented on the Chapter Relations Committee by an elected regional representative.
  - 7.21 A Regional Representative shall be nominated by one or more of the chapters in the respective region and shall be elected by the chapter delegates at a regional meeting held during the Convention.
  - 7.22 A chapter shall obtain the written consent of the candidate before making a nomination.
  - 7.23 A majority vote of a region's chapters represented at the Convention shall be required for election.
  - 7.24 Regional Representatives shall take office at the close of the Convention and shall serve on the Chapter Relations Committee until the close of the next General Convention.



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

7.25 A Regional Representative may serve no more than two (2) two (2)-year terms.

7.26 The Regional Representatives ~~will~~ shall constitute the Chapter Relations Committee and shall choose from among the Chapter Relations Committee the Vice President for Chapter Relations, who will serve on the Board of Directors for no more than two (2) consecutive two (2)-year terms.

7.3 The delegates from each region shall meet during the General Convention. Regional meetings of chapter representatives between Conventions are encouraged.

## ARTICLE IV Society Officers

*Section 1.* The Society officers who constitute the Board of the Corporation shall be Society President, President Elect, Past President, Vice President for Finance, Vice President for Chapter Relations, Vice President for Students (2), Vice President at Large (2), Vice President for Marketing and Member Benefits, Vice President for Fellowships and Awards, and Executive Director.

*Section 2.* Election and Appointment of Society Officers.

2.1 Society President. The office of the Society President shall be assumed by the President Elect who was elected at the preceding Convention. The Society President shall serve for ~~one (1)~~ a two (2)-year term and not be eligible for re-election.

2.2 President Elect. The President Elect shall be elected by a majority at the Convention from a ballot slate of candidates presented by the Nominating Committee and augmented by nominations of consenting and eligible candidates, if any, made from the floor of the Convention. The President Elect shall ~~will~~ become Society President at the close of the Convention following the one at which he/she was elected.

2.3 Past President. The office of Past President shall be assumed by the most immediate past Society President willing and able to serve. The Past President shall take office at the close of the Convention.

2.4 Vice President for Finance. The Vice President for Finance shall be elected by a majority vote at the Convention from a ballot slate of candidates presented by the Nominating Committee and augmented by nominations of consenting and eligible candidates, if any, made from the floor of the Convention. The Vice President for Finance may serve for up to two (2) consecutive two (2)-year terms.

2.5 Vice President for Chapter Relations. Before the close of the Convention, the



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

newly elected members of the Chapter Relations Committee shall elect a chair. The Chair will serve as the Vice President for Chapter Relations. The Vice President for Chapter Relations may serve for up to two (2) consecutive two (2)-year terms.

2.6 Vice Presidents for Students (2). Before the close of the Convention, the members of the Council of Students shall elect by majority vote two (2) Vice Presidents for Students to serve on the Board. The Vice Presidents for Students shall serve for no more than one (1) two (2)-year term.

2.7 The Nominating Committee shall solicit nominations for the two (2) Vice Presidents at Large from the active members of the Society. The Nominating Committee shall prepare a ballot for the election of the Vice Presidents at Large. The Vice Presidents at Large shall be elected by a majority vote of those active members responding through electronic voting or by mail. The Vice Presidents at Large shall serve for no more than two (2) consecutive two (2)-year terms.

2.8 Vice President for Marketing and Member Benefits shall be elected by a majority vote at the Convention from a ballot state of candidates presented by the Nominating Committee and augmented by nominations of consenting and eligible candidates, if any, made from the floor of the Convention. The Vice President for Marketing and Member Benefits may serve for up to two (2) consecutive two (2)-year terms.

2.9 Vice President for Fellowships and Awards shall be elected by a majority at the Convention from a ballot state of candidates presented by the Nominating Committee and augmented by nominations of consenting and eligible candidates, if any, made from the floor of the Convention. The Vice President for Fellowships and Awards may serve for up to two (2) consecutive two (2)-year terms.

2.10 Succession.

2.10.1 A vacancy in the office of Society President created by the inability to serve shall be filled by the President Elect.

2.10.2 ~~If neither the Society President nor~~ and the President Elect ~~should be~~ are not able to serve, a Society President shall be elected by the Board to serve for the remainder of the term.

2.10.3 ~~In the event of the inability to serve of~~ If the President Elect is not able to serve, this office shall remain vacant until the next ~~Convention, at which time the Convention shall elect the Society President for the next biennium~~ Convention.

2.10.4 ~~In the event of the inability to serve of~~ If the Vice President for Finance, a Vice President at Large, the Vice President for Marketing and Member Benefits, or



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

the Vice President for Fellowships and Awards is not able to serve, a replacement shall be appointed by the Society President with the concurrence of the Board and will serve until the next Convention.

2.10.5 ~~In the event of the inability to serve of~~ If the Vice President for Chapter Relations is unable to serve, the Chapter Relations Committee shall elect a new chair to serve as the Vice President for Chapter Relations on the Board until the next Convention.

2.10.6 ~~In the event of the inability to serve of the~~ If a Vice President for Students is unable to serve, the Council of Students shall elect a student to serve on the Board until the next Convention.

## *Section 3. Duties of Officers.*

### 3.1 The Society President shall

3.11 Perform those duties that pertain to the office of Society President.

3.12 Appoint the Executive Director with the concurrence of the Board, if a vacancy exists.

3.13 Appoint the membership of committees, workgroups, and similar bodies.

3.14 Serve as an non-voting ex-officio member of all committees, with the exception of the Nominating Committee.

### 3.2 The President Elect shall

3.21 Perform such duties as are assigned by the Society President.

3.22 Preside at meetings of the Board or Convention in the absence of the Society President.

3.23 Serve as chair of the Finance and Budget Committee.

3.24 Serve as a non-voting ex-officio member of all committees, with the exception of the Nominating Committee.

3.3 The Past President shall perform such duties as are assigned by the Society President.

### 3.4 The Vice President for Finance shall

3.41 Serve as chair of the Investment Committee; serve as a member of the Finance and Budget Committee; and serve as a member of The Board of



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

Trustees of the Phi Kappa Phi Foundation.

3.42 Perform such duties as are assigned by the Society President.

3.5 The Vice President for Chapter Relations shall

3.51 Serve as chair of the Chapter Relations Committee.

3.52 Represent the Chapter Relations Committee and ~~act as~~ assume responsibility for liaison between the Board and the Chapter Relations Committee.

3.53 Assist in the development of chapters in collaboration with the Chapter Relations Committee.

~~3.54~~ Initiate action for the election of two (2) student members of the Council of Students in collaboration with the Chapter Relations Committee to serve as Vice Presidents for Students.

~~3.54~~5 Initiate action to place a chapter on inactive status with concurrence of the Chapter Relations Committee.

~~3.55~~6 Initiate action toward withdrawal of the charter for a chapter with the concurrence of the Chapter Relations Committee.

~~3.56~~7 Organize and conduct meetings of chapter officers in collaboration with the Chapter Relations Committee.

~~3.57~~8 Perform such duties as are assigned by the Society President.

3.6 The Vice Presidents for Students (2) shall

3.61 Serve on the Council of Students.

3.62 Serve as co-chairs of the Council of Students.

3.63 Perform other duties as are assigned by the Society President .

3.7 The Vice Presidents at Large (~~4~~2) shall perform duties as are assigned by the Society President.

3.8 The Vice President for Marketing and Member Benefits shall

3.81 Serve as chair of the Marketing and Member Benefits Committee.



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

3.82 Serve on Finance and Budget Committee.

3.83 Perform other duties as are assigned by the Society President.

3.9 The Vice President for Fellowships and Awards shall

3.91 Serve as chair of the Fellowship and Awards Council.

3.92 Oversee the administration of all award programs offered by the Society.

3.93 Serve on the Finance and Budget Committee.

3.94 Perform other duties as are assigned by the Society President.

## *Section 4. General Provisions*

4.1 The Society President, President Elect, Past President, Vice President for Finance, Vice President for Chapter Relations, Vice Presidents for Students (2), Vice Presidents at Large (2), Vice President for Marketing and Member Benefits, and Vice President for Fellowships and Awards shall serve without monetary compensation. The Executive Director and the Associate Executive Director shall receive such monetary compensation as the Board may determine.

4.2 Upon evidence of any officer's inability to serve, the Board by a two-thirds (2/3) vote may declare that office to be vacant.

## **ARTICLE V Board of Directors**

*Section 1.* The Board of Directors of The Honor Society of Phi Kappa Phi shall consist of the Society officers, as prescribed in Article IV, Section 1.

1.1 All members of the Board shall be voting members except the Executive Director.

1.2 The Society President and the Executive Director of the Society shall be the chairperson Chairperson and Secretary respectively, of the Board.

1.3 The Executive Director shall be the Secretary of the Board.

*Section 2. Powers and Responsibilities.*

2.1 All administrative and judicial powers of the Society shall be vested in the Board in the intervals



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

between Conventions.

2.2 Specific powers and responsibilities shall include, but not be limited to, the following:

2.21 The Board has full power and authority to establish, maintain, and relocate a principal office and other offices at any place where the Corporation is qualified to do business. The purchase of land and/or buildings for Society Headquarters or other offices shall be approved by a majority of the active members delegates at a Convention or by a two-thirds (2/3) majority vote of the Board.

2.22 Chartering institutional and alumni chapters, placing chapters on inactive status, and withdrawing charters, if necessary.

2.23 Approving election of Honorary and Distinguished Members.

2.24 Acting on recommendations related to the number and types of fellowships, awards, and other forms of recognition.

2.25 Recommending, subject to approval by a Convention or a majority vote of the chapters, the amounts of annual Society dues for members, petitioning and chartering fees for new chapters, active-for-life membership fees, and any other dues or assessments.

2.26 Reviewing and approving the annual and biennial budgets of the Society.

2.27 Serving as publisher of the *Phi Kappa Phi Forum* and approving policies pertaining to all Society publications.

2.28 Participating in fund-raising efforts for the Foundation.

*Section 3.* The Board shall meet at least annually between Conventions at such times and places as may be designated by the Society President. Special meetings shall be convened by the Society President when requested by a majority of the Board.

*Section 4.* Society committee members and resource persons may be invited to attend Board meetings and other meetings approved by the Society President. The Society Officers, and any others invited by or with the approval of the Society President to attend meetings, shall receive reimbursement of their expenses, but no other remuneration except the Executive Director and Associate Executive Director shall be compensated as provided in Article IV, Section 4.

*Section 5.* Before each Convention, a report of the activities of the Board for the preceding biennium shall be submitted ~~mailed~~ to all chapters. At the Convention, this report shall be presented for review and approval.



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

## *Section 6. Executive Committee*

- 6.1 The Executive Committee shall consist of the Society President (as chair), President Elect, immediate Past President, Vice President for Chapter Relations, ~~Vice President for Finance~~, the Executive Director (non-voting ex-officio member), and an additional board member elected annually among the board members.
- 6.2 The Executive Committee shall meet when necessary to facilitate the business of the Society and may prepare policy and other statements for consideration by the Board of Directors.
- 6.3 Actions by the Executive Committee shall be subject to review by the Board of Directors. The minutes of the Executive Committee shall be made available to the full Board as promptly as possible.
- 6.4 A subcommittee of the Executive Committee, consisting of the Society President, President Elect, and Past President, shall serve as the Society Human Resource Committee.

## ARTICLE VI

### **Society Headquarters, Executive Director, and *Phi Kappa Phi Forum***

*Section 1. Executive Director.* The Executive Director shall be appointed by the Society President, with the concurrence of the Board, for a definite or indefinite period and may remain in office at the will of the Board, who shall evaluate the performance at least once each biennium annually.

#### 1.1 The Executive Director shall

- 1.11 Perform those duties that usually pertain to the office of Secretary of both the Society and the Foundation.
- 1.12 Perform those duties that usually pertain to the office of the Treasurer of the Society and of the Foundation.
- 1.13 Manage the Society Headquarters.
- 1.14 Serve on committees and perform such other duties as the President or Board may prescribe.



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

## *Section 2. The Phi Kappa Phi Forum*

2.1 The *Phi Kappa Phi Forum* shall be the Journal of the Society.

## ARTICLE VII Committees and Councils

*Section 1.* Standing committees and councils are those that have continuous existence. All standing committees and councils are advisory to the Board of Directors. There shall be the following standing committees and councils:

### 1.1 Finance and Budget Committee

1.11 Shall consist of eight (8) persons: Society President, President Elect, Past President, Vice President for Finance, Vice President for Marketing and Member Benefits, Vice President for Fellowships and Awards, the Executive Director, and the Chief Financial Officer.

1.12 The President Elect shall serve as chairperson. If the office of President Elect becomes vacant, the President shall select the chairperson.

1.13 ~~The Society~~ President shall serve as an *ex-officio non-voting members*, voting member and The Executive Director and the Chief Financial Officer shall serve as *non-voting ex-officio* members.

1.14 The Committee shall review both the annual budget and the biennial planning budget prepared by the Executive Director and submit them to the Board for approval or revision.

1.15 The Committee shall (1) recommend annually to the Board the employment of a specific auditing firm, (2) require that each audit consider the adequacy of internal control procedures, and (3) meet with the auditor as necessary.

### 1.2 Chapter Relations Committee

1.21 The Vice President for Chapter Relations shall serve as chairperson.

1.22 Shall consist of the Regional Representatives.

1.23 The Committee shall coordinate the review of institutions where new chapters are sought; recommend the establishment of new chapters; encourage the development of present chapters; and recommend, when necessary, inactive chapter status and withdrawal of charters.

1.24 The Committee shall review chapter bylaws to ensure consistency with the model chapter



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

bylaws approved by the Board. The Committee shall assist the Vice President for Chapter Relations in coordinating and overseeing the Council of Students as well as the election of two (2) student members of the Council to serve as Vice Presidents for Students, as provided in Article IV, Section 2.6.

## 1.3 Investment Committee

1.31 The Vice President for Finance shall serve as the chair of the committee. -

1.32 Shall consist of one (1) representative from each region appointed by the President, plus the Executive Director and Chief Financial Officer, both of whom are non-voting *ex-officio*.

1.33 The terms of the appointment of the members, other than the Vice President for Finance, shall be for two (2) years, with at least two (2) new persons appointed at the beginning of each biennium.

1.34 The Committee shall provide recommendations to the Board of Directors and to the Trustees of the Phi Kappa Phi Foundation for the investment of the endowment funds in such a manner as to yield the best return compatible with established levels of safety and growth.

## 1.4 Marketing and Member Benefits Committee.

1.41 The Vice President for Marketing and Member Benefits shall serve as chair.

1.42 Shall consist of one (1) representative from each region appointed by the President.

1.43 The terms of appointment of the members, other than the Vice President for Marketing and Member Benefits, shall be for two (2) years, with at least two (2) new persons appointed at the beginning of each biennium.

1.44 The Committee shall make recommendations to the Board concerning marketing, public relations, member benefits, and publications for the Society.

## 1.5 Fellowships and Awards Council and Committees

1.51 The Society President in consultation with the Vice President for Fellowships and Awards shall appoint the chairs for each of the Society's awards committees, with at least two (2) chairs appointed at the beginning of each biennium.



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

1.52 The Vice President for Fellowships and Awards and the chairs for each of the Society's awards committees shall serve as the Society's Fellowships and Awards Council. The Vice President for Fellowships and Awards shall chair the Council.

1.53 The chairs for each of the Society's awards committees shall serve for no more than two (2) two (2)-year terms.

1.54 The Society President in consultation with the Vice President for Fellowships and Awards and the chair of each respective Society awards committee shall appoint the members of each respective awards committee.

1.55 The terms of appointment of the members for each of the Society's awards committees shall be for two (2) years, with at least two (2) new persons appointed at the beginning of each biennium.

## 1.6 Bylaws Committee

1.61 Shall consist of three (3) members appointed by the Society President, at least one of whom is a member of the Board.

1.62 The terms of appointment shall be for two (2) years. Members may be re-appointed.

1.63 The Committee shall review the Bylaws and consider recommendations for amendments received from chapters, committees, individual members, and/or the Board and forward proposed amendments to the Board.

~~1.64 The Committee shall review chapter bylaws to secure consistency with the model chapter bylaws approved by the Board.~~

~~1.645~~ The President shall appoint the chairperson.

## 1.7 Council of Students

1.71 ~~Shall consist of ten (10) members.~~ The Chapter Relations Committee will invite chapters to nominate students for membership on the Council of Students and establish a set of criteria for selection. At least one (1) student ~~Two (2) students~~ from each region will be chosen to serve on the Council of Students with no more than 3 from any single region.

1.72 Terms of appointment shall be one (1) two (2)-year term.

*Section 2.* Special workgroups and *ad hoc* committees are those that do not have continuous existence.



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

2.1 Special committees shall be appointed to serve for specified times. These are:

## 2.11 Credentials Committee

2.111 Shall consist of one (1) representative from each region appointed by the President prior to each Convention.

2.112 The Committee shall assist the Executive Director in determining who is representing each chapter at the Convention and report such information at the first session of the Convention.

2.113 The President shall appoint the chairperson.

## 2.12 Nominating Committee

2.121 Shall consist of one (1) representative from each region appointed by the President not later than one (1) year prior to each Convention.

2.122~~6~~ The Society President shall appoint the chair.

2.123~~2~~ The committee shall solicit nominations for elective offices from all chapters and the body of active members. The Committee is required to identify at least two (2) candidates for President Elect and is strongly encouraged to do the same for all other offices. The committee shall prepare a ballot state of candidates for the offices of President Elect, Vice President for Finance, Vice President for Marketing and Member Benefits, and Vice President for Fellowships and Awards to be elected by the delegates at the Convention. The committee shall prepare a ballot of five regional representatives to be elected by the delegates at the Convention from their respective regions. The committee shall prepare and submit to all active members electronically or by mail a ballot of candidates for the two (2) Vice Presidents at Large.

2.124~~3~~ The Committee shall present the ballot state of candidates for review by the Board no later than four (4) months prior to the Convention.

2.125~~4~~ The Committee shall submit electronically or by mail the ballot with the names of all candidates who will be voted on by the Convention delegates state to all chapter presidents no later than two (2) months in advance of the Convention.

2.126 The Committee shall submit electronically or by mail the ballot for election of the two (2) Vice President at Large candidates to all active members for their vote no later than two (2) months in advance of the Convention. The Vice Presidents at Large shall be elected by a majority vote of those active members responding



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

through electronic voting or by mail

- 2.127 The Committee shall present the ballot with the names of all candidates who will be voted on by the Convention delegates ~~late~~ to the Convention, at which time additional nominations of consenting and eligible candidates may be made from the floor.
- 2.2 Ad hoc committees shall be appointed by the President as the needs and welfare of the Society demand.
- 2.21 The Society President shall define the functions of each committee and appoint the chairperson.
- 2.22 Ad hoc committee functions shall not usurp the functions, duties, or responsibilities of any standing committee.
- 2.23 The President shall inform the appointees of their functions.

*Section 3.* Meetings may be called by the chairperson of the committee on his or her own motion or at the direction of the Board.

## ARTICLE VIII Conventions

*Section 1.* A Convention, either General or Special, may consist of one (1) delegate from each chapter and the members of the Board. The delegate from a chapter shall be the Chapter President, President Elect, ~~an Active Member Affiliated~~, or any other active member designated by the chapter as its proxy.

*Section 2.* In a Convention, each chapter that has sent a delegate and each member of the Board shall have one (1) vote. A member of the Board who serves as a chapter delegate shall have only one vote.

*Section 3.* The President and the Executive Director shall serve as the presiding officer and secretary, respectively, of a Convention.

*Section 4.* Powers and Responsibilities

- 4.1 A General Convention is vested with the ~~supreme~~ authority of the Society and, subject to the Articles of Incorporation and the procedures prescribed to be followed in amending these Bylaws, shall
- 4.11 Have jurisdiction over ~~all~~ affairs of the Society.



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

4.12 Establish rules of governance of the Society.

4.13 Establish such offices not herein provided for as may be found expedient, and provide for appointment or election of persons to fill such offices.

~~4.14 Have power to interpret all provisions of the Bylaws.~~

~~4.14~~5 Elect by majority vote the President Elect, Vice President for Finance, Vice President for Marketing and Member Benefits, and Vice President for Fellowships and Awards. ~~also elect, if necessary, the President according to Article IV, Section 2.10.2.~~

~~4.15~~6 Elect, in regional meetings, a Regional Representative for each region.

4.2 A Special Convention shall have the same authority over the affairs of the Society as a General Convention, with the exception of the biennial election of the President Elect, Vice President for Finance, Vice President for Marketing and Member Benefits, ~~and~~ Vice President for Fellowships and Awards, and Regional Representatives.

## *Section 5. Meetings*

### 5.1 General Convention

5.11 A General Convention shall meet once in two (2) years.

5.12 Time and place shall be determined by the Board.

### 5.2 Special Convention

5.21 The Society President shall call a Special Convention when requested to do so ~~in writing~~ by two-thirds (2/3) of the members of the Board or one-third (1/3) of the chapters.

5.22 Time and place shall be determined by the Board.

5.23 A three-month (3) notice shall be given each chapter of the place, date, and purpose(s) of a Special Convention.

*Section 6.* A Convention quorum is a simple majority of official delegates registered for the Convention.

## ARTICLE IX Fees, Dues, and Assessments

### *Section 1.* Society Fees, Dues, and Assessments.

1.1 The following types of fees, dues, and assessments may be collected by the



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

Society:

1.11 ~~Petitioning, chartering and authorizing fees~~ Chapter application fee to reimburse the Society for part of the expenses incurred in the establishment of new institutional and alumni chapters.

1.12 Initiation fees.

1.13 Membership fees.

1.14 Special assessments.

1.2 Establishment of amounts.

1.21 The Board shall recommend the amounts of fees and dues and shall make them effective subject to approval by the next Convention or approval of a majority of chapters.

1.22 Special assessments shall be levied only by two-thirds (2/3) vote of the Board and the approval of a majority of the chapters or by two-thirds (2/3) majority of a General or a Special Convention.

1.3 Fees, dues, and assessments shall be collected by the Headquarters in accordance with a stated policy.

1.31 The fees, dues, and assessments provided for in this Article shall be disbursed by the Executive Director to pay expenses, to be invested as endowment funds, or to be otherwise allocated as determined by the Board.

*Section 2. Chapter Fees and Dues.*

2.1 Each chapter shall have authority to determine its own initiation fees and chapter dues, and shall be responsible for remitting the Society initiation fees to the Executive Director. Chapter dues shall be collected by the Executive Director on the same billing as Society dues.

2.11 Chapters may establish Active-for-Life chapter membership fees subject to approval of the Board.

2.12 The Executive Director shall remit dues so collected to the chapter at appropriate intervals.

1.2 Charter members of a chapter to be installed are required to pay Society fees and dues as



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

follows:

2.21 Members of the Society who have paid Society dues for the current year shall pay no additional fee.

2.22 Members of the Society who have not paid dues for the current year shall pay Society dues before being recognized as charter members but shall pay no Society initiation fees.

2.23 Charter members who were not members of the Society previously shall be initiated and pay full initiation fees and any dues or fees required by the chapter.

## ARTICLE X Motto and Insignia

*Section 1.* The motto of the Society shall be *Philosophía Krateítō Phōtōn*, interpreted to mean, “Let the love of learning rule humanity.”

*Section 2.* The badge of the Society shall be a half-globe, facing forward, girded by a band bearing the initials of the motto in Greek, ΦΚΦ, and with the rays of the sun surrounding the globe in the fashion of a corona, represented as being in eight (8) groups.

*Section 3.* The seal of the Society shall consist of the badge surrounded by a crenellated line symbolizing the Walls of Troy, above which are three (3) stars representing the original chapters and below, the inscription “Founded 1897.”

*Section 4.* The ribbon of the Society shall be white, bearing in a contrasting color the letters of the Society and a meander pattern common in ancient Greek art.

*Section 5.* The specifications for the official ritual and insignia of the Society shall be preserved by the Executive Director for appropriate use. The purchase or consignment of insignia shall be made only from the Society Headquarters on orders properly certified by the secretary or treasurer of the chapter and countersigned by the Executive Director.

## ARTICLE XI Rules of Procedure

*Section 1.* The Board or any Convention may establish such rules of procedure as may be necessary for implementing the provisions of these Bylaws and for governing the Society.

*Section 2.* Such procedure shall become operative at the time designated by the Board or the Convention and shall be published and distributed to Society and chapter officers.



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

*Section 3.* Robert's Rules of Order, as most recently revised, shall govern the proceedings of meetings of the Society when not in conflict with these Bylaws.

## ARTICLE XII Amendments and Revisions of Bylaws

*Section 1.* Amendments and revisions may be initiated by a chapter, a Society committee, or the Board, or an active member.

*Section 2.* Such proposed amendments and revisions shall be reviewed by the Board. A majority vote of the Board shall be required for endorsement.

*Section 3.* Any proposed amendment initiated by a chapter ~~that~~ which did not receive the Board's endorsement can be placed before the Convention if ten (10) chapters endorse the proposal.

*Section 4.* Such proposed amendments endorsed by the Board or ten (10) chapters shall be submitted at least three (3) months prior to a Convention to the Executive Director, who, in turn, will notify the chapters at least one (1) month prior to the Convention.

*Section 5.* A two-thirds (2/3) vote of a Convention is required to amend or revise these Bylaws.

*Section 6.* In special circumstances to be determined by the Board of Directors, a mail ballot or electronic mail ballot may be substituted for a Convention vote, with two-thirds (2/3) of the chapters casting votes being required to amend or revise these Bylaws.

## ARTICLE XIII Relationship Between The Honor Society of Phi Kappa Phi and The Phi Kappa Phi Foundation

*Section 1.* The Honor Society of Phi Kappa Phi shall transfer funds to The Phi Kappa Phi Foundation, incorporated as a nonprofit, public corporation in 1969, for fellowships, scholarships, and other educational and charitable activities.

*Section 2.* The Society may transfer funds in excess of operating needs into the Foundation's accounts as recommended by the Executive Director and approved by the Board.

*Section 3.* Officers of The Honor Society of Phi Kappa Phi also serve as officers of The Phi Kappa Phi Foundation.

*Last Revision: 11/19/07*



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

## Report of the Nominating Committee to the 2010 Convention

**Charge:** To develop a slate of candidates for national office in Phi Kappa Phi to be presented for election at the National Convention, and to oversee the election process.

**Committee membership:** *Cassandre Alvarado, Melissa Cicozi, David Dye, Paul Ferlazzo (Chair), Michael Shearer, Perry Snyder.*

### Issues and Concerns Addressed:

- a. Descriptions and requirements for all the national offices
- b. Development of appropriate materials for nomination of candidates
- c. Methods for identifying candidates
- d. Creation of deadlines
- e. Process for finalizing slate of candidates
- f. Election process at the National Convention

### Recommendations:

The following constitutes the slate of candidates who will stand for election at the National Convention:

#### SOCIETY PRESIDENT ELECT

C. Roy Blackwood  
*Southeastern Louisiana University*

Diane G. Smathers  
*Clemson University*

#### VICE PRESIDENT FOR FELLOWSHIPS & AWARDS

William J. McKinney  
*Indiana University Purdue University Fort Wayne*

#### VICE PRESIDENT FOR FINANCE

Curtis D. Black  
*University of Toledo*

Alan J. Hovestadt  
*Western Michigan University*

#### VICE PRESIDENT FOR MARKETING & MEMBER BENEFITS

Gil Fowler  
*Arkansas State University*

H. Ray Sylvester  
*University of the Pacific*



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

## REGIONAL REPRESENTATIVES

### **Northeast Region**

Timothy L. Hulsey  
*Virginia Commonwealth University*

### **South Central Region**

Timothy P. Scott  
*Texas A&M University*

David J. Silva  
*The University of Texas at Arlington*

### **North Central Region**

Mary Beth Donovan  
*University of Michigan*

Rick Shale  
*Youngstown State University*

### **Southeast Region**

Michael F. Bassman  
*East Carolina University*

Robert L. Johnson  
*Appalachian State University*

### **West Region**

Gypsy M. Denzine  
*Northern Arizona University*

Christopher J. Frost  
*San Diego State University*

*Refer to the following pages in this Convention Book (and supplements)  
to review the pertinent nomination packets.*

Candidates and chapter presidents were provided the document titled “Guidelines for Professional Obligations and Deportment in Conducting Elections for All Offices in the Honor Society of Phi Kappa Phi.” Please review the following copy and abide by the guidelines as stated.

The Committee will complete its responsibilities at the Biennial Convention by presenting the slate of candidates to the Convention delegation at Governance Session I, and in moderating that Session which involves candidate presentations and a brief question and answer period. The Committee will also be available to assist the Credentials Committee as needed during the Election.



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

## Guidelines for Professional Obligations and Deportment in Conducting Elections for All Offices in The Honor Society of Phi Kappa Phi

The Honor Society of Phi Kappa Phi must set an unquestionable example in carrying out the selection of its officers at the chapter, regional, and Society levels. The following guidelines have been approved by the Board of Directors to govern the election process of officers at all levels within the Society.

The Honor Society of Phi Kappa Phi is a learned society which is comprised of individuals who are capable of evaluating, passing judgment, and making decisions when provided with pertinent facts and information. Members may also desire to seek and obtain additional information for unanswered questions pertaining to particular candidates.

In keeping with the high ideals of the Society during the course of elections held for local, regional, and Society offices, Phi Kappa Phi takes the following position.

- Chapters should encourage qualified members to seek nominations for open offices. A representative slate of qualified candidates is desirable for each office open for election so to provide voting delegates an opportunity to make a choice.
- Resumes of no more than two (2) 8 ½ x 11” pages in length should be prepared by each candidate for a Society or regional Phi Kappa Phi office. When the resumes have been prepared, they will be distributed at the appropriate time to the voting delegates. Each candidate will also submit one Letter of Nomination from the chapter president or an individual nominator (one page) and the Candidate’s Personal Statement (one page). No other campaign materials shall be distributed or displayed, including computer graphic presentations.
- Chapters, members, and/or official voting delegates are encouraged to contact declared candidates for their opinions, ideas, proposed plans, and positions on activities and topics concerning Phi Kappa Phi.
- Chapters, members, and/or official voting delegates should assimilate and evaluate all available information about a candidate or a proposed plan prior to making a decision and casting a vote.



# TRADITIONS & TRANSITIONS

*Responding to a World of Change*

- Members of Phi Kappa Phi will seek only one office for which the term would coincide with another Phi Kappa Phi office.
- Candidates for an office should conduct themselves in a manner that enhances the desired image of the Society.
- Overt or flagrant campaign tactics, similar to those commonly utilized in regular political elections must be avoided.
- No member, having good qualifications and desiring to seek an office through the prescribed election process, should be discouraged from doing so.
- Compliance with this policy will assure that capable, well-qualified members are selected for all offices in The Honor Society of Phi Kappa Phi. Candidates not elected should not be perceived as being unqualified. There will be other opportunities for them to seek an office within the Society. All members are encouraged to continue to make their contributions toward achieving the goals and enhancing the standards of The Honor Society of Phi Kappa Phi.

*Revised 2009*