



— from the desk of —  
**Michael McCrum**  
National President  
Phi Kappa Tau Fraternity

January 30, 2024

My esteemed brothers,

I come to you this first month of 2024 with a heart full of anticipation and enthusiasm for what will prevail these next 12 months. As your national president, I am pleased to give you this report of the progress we have made since our July 2023 National Convention. Some of you have expressed to me that an update should have already been provided. I apologize if the timing of this report is later than you wanted, but I and others wanted for several pending items to come to fruition before sending this out. Please bear with me, but I'm hopeful you will see in this letter that I and others have been working hard in all areas of our Fraternity.

I realize this letter is lengthy, but I've got a lot to tell you about. If after reading this you still have questions, please send me an email. Facebook complaints and criticisms, in my opinion, are not productive in any sense of the word and only breed dissension among our brotherhood. Let's get away from that. Instead, let's approach each other in a positive way, *even as to issues that we may have concern or frustration about*, working together and lifting each other up as brothers.

Please reach out to me via email if you have questions or concerns. My continuing intent is to be completely candid with what is going on.

### **BROTHERHOOD**

I begin with the most important of all considerations, the state of our brotherhood. These past six months I have participated in many opportunities to witness our brotherhood in action:

- ❖ I visited fifteen chapters in Ohio, Mississippi, Georgia, South Carolina, Kentucky, Colorado, and Texas. In those visits, I was able to listen to the perspectives of brothers at each chapter, both undergraduate and alumni.
- ❖ I participated in many online, telephonic, and in-person meetings and conversations with many different elements of our Fraternity, including:

- our National Council,
  - our CEO and staff members of our Executive Office,
  - our Fraternity's Foundation Chairman, Executive Director, and Board of Trustees,
  - our Fraternity's Undergraduate Advisory Board,
  - chairmen of several committees,
  - former National Presidents,
  - former CEOs, and
  - many other alumni and undergraduate brothers.
- ❖ I participated in several fraternal events, including:
- the chartering ceremony of a new chapter,
  - a chapter's centennial celebration,
  - several Board of Governor meetings,
  - several Housing Corporation meetings,
  - a chapter eternal service,
  - an initiation, and
  - a Zenith Officer Institute.
- ❖ I have listened to brothers' compliments and encouragement, as well as brothers' complaints, criticisms, and concerns. As for expressed concerns, some examples: frustration that brothers have not heard enough about what is going on; that minutes of Council meetings have not yet been disseminated; that information regarding the Foundation has not been analyzed or disclosed as quickly as some would like. I'm pleased to receive the encouraging words, and I listen carefully to the complaints and expressions of discontent. I hope to address everything in this letter and in future reports.

Through all of this, I can easily say that my love and enthusiasm for our brotherhood has increased exponentially these last six months. Through the course of my visits, meetings, and conversations, I continue to sense brothers' deep, abiding love for Phi Kappa Tau. While I also sense a deep desire for improvements in the operation of our Fraternity, I sense a strong affection for our brotherhood. ***We are strong, Phi Tau!!! Our brotherhood is strong!!!***

Yet, I know we can come closer to each other - - closer to each other in the way we communicate with and about each other; the way we think about each other; the way we openly support and encourage each other even in the face of brothers making mistakes in judgment; the way we walk forward through life together.

It is my hope and mission to do what I can to help us grow closer as brothers in those and other ways.

## **NEW AND REVISED POLICIES**

At the National Convention, a concern was raised about transparency and other issues. I and members of the National Council have taken all of that into account and have sought to address each concern. We have seen the need for the creation of some new policies and the refinement of policies already in existence. I am pleased to announce the following:

### **Transparency and Confidentiality Policy:**

- **New Policy:** At our 2023 Convention, it became clear that transparency was a significant concern among many brothers. It was for this reason that one of my expressed commitments following my election was *“to demand transparency in my work and that of our national officers and staff.”* To that end, one of my first acts as National President was to draft and present to the National Council a proposed policy of transparency and confidentiality.

After careful deliberation and necessary revisions, the National Council unanimously approved the *“Phi Kappa Tau Policy of Confidentiality and Transparency,”* which you can find through the new online portal described below. Brothers, this is an **unprecedented written affirmation** of our Fraternity’s commitment to transparency, confidentiality, and accountability among its brothers. It demands that different types of information be made available to Fraternity members on a timely basis.

- **New Online Portal:** To implement this new written policy into action, we’ve done the following:
  - To answer the call for disclosure of minutes, financial statements, and other information and to disseminate information in compliance with this new transparency policy, the National Council directed the Executive Office to create an online portal where members will use their FSID log in to access the information. This will include access to the following documents:
    - Minutes of National Council meetings,
    - Financial documents (financial statements; tax returns; Forms 990; audits; etc.),
    - Chapter status information,
    - Committee information,
    - Award information,
    - Executive Office personnel info,
    - Fraternity governance documents (Constitution, Statutes, Policies),
    - Other relevant fraternity documents.

Brothers, I’m excited to announce the launch of this online resource this week. By accessing the portal through the *“LOGIN”* link on [www.phikappatau.org](http://www.phikappatau.org), you will find posted many documents for your review under *“Organization Information”*. Let me know if you have difficulty accessing this portal. For those

brothers who do not use the internet, please let me or CEO Arnold what document you are wanting to see. Our intent is for brothers to have access to the type of information they expressed wanting at the Convention.

### **Social Media Policy:**

- While social media can and has been a benefit in the exchange of important information, it will not surprise anyone that I and many others feel it often is a vehicle for misinformation and unwarranted dissension. Frankly, in my opinion, the world agrees that this is a downside of social media.
- For this reason, the National Council approved the "Policy on Social Media," which will be posted in our new online portal.

### **Privacy Policy**

- As we know, our Fraternity currently has a privacy policy which prevents the Executive Office from disseminating personal information of members, including names and contact information of undergraduate brothers who attend conferences and conventions. This policy was already in force prior to my election as President and has been posted on our fraternity website for years. The policy was initiated to protect your privacy and conform with the numerous laws governing the protection and use of personal identifying information.
- Some have insisted that it was said at the Convention that names and contact information of all brothers attending the Convention would be released. To the extent this was communicated, it was a mistake, as it did not comport with our existing policy - - a policy that has existed prior to the Convention. Until there is a substantial shift in policy to allow the free dissemination of member contact info, I cannot authorize its release. If you disagree, please contact me.
- An issue came before the Council regarding the privacy policy: As you know, the Undergraduate Advisory Board is charged with initiating and maintaining communication with chapter officers. That mission was stymied by our Fraternity's privacy policy, as it prevented the UAB to easily obtain necessary chapter contact information. The National Council addressed the issue and approved an exception to the policy for UAB to carry out its mission. To the extent it becomes necessary, the Council may have to consider approving a limited exception for a committee to do its work. Until that time, however, the policy is there to protect you – the members of our fraternity.
- All of that notwithstanding, this entire issue of privacy has been referred to the Governance Committee to review and recommend improvements, if any, to this policy.

### **Posthumous Membership Policy**

- Several situations arose in the past six months which indicated the need for a clarification of our policy on posthumous honorary membership. While our current governance documents allow for honorary membership of this type,

there was a need for clarity on how and when this could happen. The Council is in the process of crafting and finalizing this policy.

**COMMITTEES, TASK FORCE, BOARD, DEANS & DOMAIN DIRECTORS:**

Our Fraternity is blessed to have brothers who have stepped up to answer the call to volunteer in the spirit of brotherhood. Our online portal includes a listing of all current committees (and their Chairs), task forces, National Council, Deans, and Domain Directors (including the brothers who are serving on each). If you are interested in serving on any of these, please reach out to me, the committee chairman, and/or any National Councilor.

**Committees, Task Force, & Board:**

I am excited to formally announce **seven new projects that we have created**. I presented to the National Council a request for the approval of committees and a task force that our Fraternity has not had in the recent past, if at all. You will note that several of the new projects described below are **an unprecedented move forward by our Fraternity, and some are newer versions of what we have had**.

These seven new projects are listed in alphabetical order:

1. **Alumni Retention Committee:** While we are all familiar with our historical *Alumni Engagement Committees*, the National Council determined that our Fraternity needed a distinct committee that would focus primarily on alumni ***retention***, in addition to the historical committee which focuses on alumni *engagement*.

The reason this unprecedented committee was created is to focus solely on retaining the interest and involvement of graduating seniors in their chapters and the national fraternity. While this relates to alumni engagement, the focus with alumni retention is more narrow and targets graduating seniors and members in the first couple years after college. All too often, we have been losing this level of involvement due to seniors focusing on career and personal development in the years immediately after graduation and while they are in the decade of their 20s. Phi Tau has always encouraged a robust career and personal development outside of our Fraternity. It is our hope that this committee will encourage increased Phi Tau engagement which we believe will not detract from the career and personal priorities but enhance career and personal growth for members post-graduation.

This *Alumni Retention Committee* was created to analyze these issues and recommend steps to encourage continued involvement in the years immediately post-graduation. Brother Rick Rice agreed to serve as the Committee's Chairman. National Councilor Ray Carlos is serving as Advisor.

2. **Chaplaincy Corps:** As we know, our governance calls for the appointment of a Fraternity Chaplain. It occurred to me prior to my election that our Fraternity would be well-served by multiple chaplains given the diversity of our membership, with the goal of enlisting several brothers to serve jointly as Chaplains rather than having one

single Chaplain. These brothers would serve our diverse membership through their faith and experience in diverse traditions, beliefs, and practices. I spoke about this with Brothers Lapinski and Rachford, two brothers who have served as Chaplains and have been stalwarts in this area of our Fraternity. They agreed with this new approach.

The National Council approved the creation of a chaplaincy corps that would have multiple facets to its charge: provide our members with access to a chaplain who would better suit the member's preference and diversity, and provide our Fraternity with a diverse, ecumenical body of guidance and leadership in all areas of chaplaincy. Brother Rachford has agreed to lead this effort and is currently assimilating a group of brothers to serve as Fraternity Chaplains. I am serving as the National Council's Advisor to this "committee."

3. **Constitutional/Statutory Review Committee:** It was apparent to me and the rest of the National Council that an analysis and edit of our Constitution and Statutes was necessary. Former CEO Steve Hartman agreed to serve as Chairman, and two former National Presidents and three other outstanding brothers agreed to serve as members. The committee has been regularly meeting these past months, and I anticipate that suggested revisions to our governance documents is forthcoming later this year. National Councilor Jon Hays is serving as Advisor.
4. **Financial Advisory Committee:** Our 2023 Convention and events in the recent past reinforced the need for a *Financial Advisory Committee* to provide a vehicle for advice to me, our CEO, and/or our National Council as to all significant financial issues that our Fraternity deals with. Brother Kevin Prather agreed to serve as Chairman. National Councilors French and Bailey are serving as the committee's Advisors.
5. **Housing Committee:** The National Council approved the creation of a *Housing Committee* which has a dual charge: assist chapters with housing-related issues and analyze our Fraternity's current approach to housing issues and recommend suggested changes. A search is currently underway to find a brother willing and qualified to take on this critical role. National Councilor Scott Brown is serving as Advisor.
6. **Mental Health & Emotional Wellness Committee:** As was my announced intent at the 2023 Convention, this committee has been formed to address significant issues in the health of our brotherhood. Brother Tim Popma has stepped up to lead this worthy effort. National Councilor Andy Fruth is serving as Advisor.
7. **Technology Review Task Force:** After the election at the 2023 Convention, Brother Jeff Baird approached me and suggested that a review of our Fraternity's current technological equipment, software, and usage could be useful to take our Fraternity to a more proficient technological and operational stage. I agreed, and the National

Council approved my appointment of Brother Baird. Since then, he has conducted an initial review and made a presentation to our National Council and CEO. We are excited that his effort will lead our Fraternity to advanced tech capacity in the coming year. National Councilor Bailey is serving as Advisor.

In addition to the seven relatively new committees and task force listed above, here is an alphabetical listing of committees and a Board which we are all familiar with:

8. **Alumni Engagement Committee:** Brother Tim Holman has agreed to serve as Chairman of this committee. We all can agree that the robust, energized involvement of brother alumni is critical to our Fraternity's growth and excellence. National Councilor Scott Brown is serving as Advisor.
9. **DEIA Committee:** Brother Pedro Von Simpson has agreed to serve as Chairman of this committee and former CEO Sam Medley, a past chair of this committee, has agreed to offer his help and guidance to Brother Von Simpson. National Councilor Bailey is serving as Advisor.
10. **Governance Committee:** Brother Patrick "PJ" Best agreed to serve as chairman. National Councilor Jon Hays is serving as Advisor.
11. **Health & Safety (Risk Management) Committee:** Brother Curtis Wayne Pangle agreed to serve as Chairman. National Councilor Andy Fruth is serving as Advisor.
12. **Philanthropy/Services Committee:** Brother Evan Ernst agreed to serve as Chairman, with Brother Mike Rosser agreeing to stand by and assist in all ways possible. I was privileged to spend a great deal of time with Brother Rosser on my visit to Colorado, including our travel from Denver to Fort Collins to meet with our Alpha Sigma brothers there and Brother Rosser arranging a breakfast the following day with he and Brother Patrick McGlinchey, who serves on the BOG. I am so grateful to Brother Rosser for sharing with me so much valuable information regarding Philanthropy, Service, the Foundation, and many other Fraternity issues. National Councilor Ray Carlos is serving as Advisor to this committee.
13. **Ritual Committee:** Brother Matthew Grizzle agreed to serve as Chairman. I am serving as the National Councilor Advisor to this committee.
14. **Undergraduate Advisory Board:** Brother Ryan Miller is the current Chair of the UAB. National Councilor Ray Carlos is serving as Advisor.
15. **Awards & Nominations Committees:** Given other issues that necessitated attention these first six months, as well as the lack of necessity of appointment of these committees at this early stage of our Fraternity's two-year cycle, I intentionally held off appointing Chairs to these two committees. Now that we are in 2024, I am

inviting all brothers who are interested in serving on one of these committees to please reach out to me, together with your background and reasons for wanting to serve in this way.

**Deans:**

As you know, our CEO recently announced the hiring of Brittany Ankeny who now serves as Director of Learning & Talent Development. Her involvement in the education component of our Fraternity has not eliminated the need for our Deans. Indeed, I recently met with several Deans and reinforced my enthusiastic support for their continued involvement. Our CEO has also met with Deans, reinforced the need for their involvement albeit in a modified setting, and is working with all concerned to clarify the scope of their charge. Recently, I sent a request to all Deans for their input as to whether, if at all, our governance documents should be revised to clarify their current role given the hiring of Brittany. I know I join with many in appreciation for the valuable contribution from these brothers.

**Domain Directors:**

The National Council has directed the CEO to research and develop a domain director program that meets the needs of our resident and graduate councils and be equally attractive for brothers to volunteer their time and talent. I have discussed with the CEO and National Councilors the history of contribution that domain directors provided and plans going forward, including my full appreciation for the significant contribution this program and its volunteers provided the Fraternity through many years of hard work and giving hearts. It is for this reason that I want this program to survive. I am convinced the CEO intends to make progress with current domain directors to discuss solutions towards this worthy aspect of our fraternal life and has committed to continue work in establishing a program that makes sense in the current environment given available resources. A lot of things needed to be attended to these last months, particularly in the implementation of a whole new structure of doing business. So please be patient - - this program will be attended to. I intend to continue discussing the progress of this effort and doing all I can to encourage its development.

**PROGRAMS:**

I am excited that 2024 will mark a return to an aggressive lineup of conferences for our undergraduate brothers. Even before the Foundation announced its decision to grant the Fraternity over \$310,000 (promptly used to fund conferences and other items this year), the National Council had determined to find a way to return to an aggressive schedule of conferences for our undergraduates. The following schedule exemplifies the earnest intent to provide meaningful programming to our chapters.

**Zenith Officer Institute:**



Several weeks ago, we held the *2024 Zenith Officer Institute*. I am excited about the following:

- ***double the number of chapters attended, compared to 2023;***
- ***double the number of undergraduates attended;***
- ***fifty-eight (58) of our chapters, consisting of over 200 undergraduate officers!***

This is huge increase over the past year's attendance!

I and four other National Council members (Councilors Brown, Carlos, French, and Fruth) were in attendance, along with our CEO and Executive Office staff, Education Deans Chad Warrick and Michael Lukins, Foundation Trustee Mike Bichimer, and Foundation Executive Director Craig Rogers. I witnessed an educational program that undergraduate brothers would not have experienced in any other forum than with several hundred of their brothers in attendance. Also, I had the privilege of meeting with many undergraduate brothers and was encouraged by the many brothers who expressed such a positive perspective of their experience at Zenith and our Fraternity. I am hopeful that 2025 will see 100% chapter attendance.

#### **Upcoming Regional Conferences:**

We recently announced eight regional conferences that will be held in 2024. Some members have had questions about the locations chosen for the conferences. Please keep in mind before I address why locations were chosen that we are expanding the number of conferences from an original plan of 4 to an expanded plan of 8 in 2024. This is huge, particularly given the fact that the National Fraternity did not host any last year.

Kudos to our brothers at Alpha Rho Chapter for an outstanding job in hosting a conference last year. But now we turn to the National Fraternity resuming its obligation to bring all of us together across the country in a robust lineup of conferences. We should always strive within our combined spirit of brotherhood to join together as one fraternity. This lineup is designed with that as a primary goal.

Now, as to the locations: Please know that several factors were considered in determining the locations, one of which was an effort to make the conference a driving-distance away for our undergraduate brothers. That is, the goal was to maximize the opportunity for chapters to attend by situating the conference within 300 miles of almost all chapters.

Unfortunately, I am aware of 9 chapters that will be outside the 300-mile radius of at least one conference. As to those 9 chapters, I have asked the Executive Office to reach out to the leadership of each and work with them to see what can be done, including a discussion of access to CEG funds for travel (all these chapters have sufficient CEG funds in their accounts). Plus, in the future we may have to consider adding yet another conference in addition to the 8 we are hosting in 2024, but of course that decision will

be driven by cost, available funds, a chapter's willingness and ability of attending conferences, and other factors.

With the limited number of conferences in the past, it was common for many chapters to be more than 300 miles from the conference. In other words, chapters falling outside a reasonably close distance was not an unusual situation. We all know that we have historically seen different locations of regional conferences from year to year. One conference being held at a particular location in one year does not guarantee it will host the next year. Indeed, in a fraternity environment, a different strategy is warranted. The selection of sites was done not only to accommodate travel, but to offer different chapters the opportunity to host a regional conference. In the words to me by one of our beloved former presidents, Steve Nelson: "*let's spread the love.*"

The following schedule takes different factors into account:

1. Feb. 17, 2024: University of Illinois
2. Feb. 17, 2024: University of North Texas
3. Feb. 24, 2024: University of California - Berkeley
4. Feb. 24, 2024: Clemson University
5. Feb. 24, 2024: Penn State University
6. Mar. 2, 2024: Chapman University
- 7 & 8: Two conferences will be held for those chapters who are not close to the locations of the six conferences listed above: (1) chapters in Washington State and Idaho, and (2) chapters in Colorado. The dates and locations for these two additional conferences will be announced soon. I and other National Councilors are making every effort to clear our schedules to attend one or more regional conferences.

**Leadership Academy:**

This summer, our Fraternity will host two *Leadership Academies*, both designed to help emerging undergraduate leaders within our chapters. These are planned for mid-May and early-August, with the locations and dates to be announced soon. Each chapter will be asked to identify two "emerging leaders" within their respective chapters to attend this academy.

**RECRUITMENT:**

I am excited to share the remarkable recruitment success of our Fraternity. It is evident to me and any person's reasonable analysis that our CEO and his staff made recruitment a priority. I was fortunate to attend a meeting last July in our Headquarters and witness each consultant describe one-by-one the situation at chapters assigned to him. It was clear to me that the consultants were working vigorously on each chapter's particular situation, to the extent a chapter was willing to take their call and receive the help.

Over the summer, the Executive Office implemented the Phi Kappa Tau Growth System to include the *Recruitment Services Initiative*. This was intended to provide a staff member's consultation with each chapter in their preparation, planning, and execution of their recruitment strategy. ***Over seventy percent (70%) of our chapters*** stepped up to utilize the Growth System to date. This initiative, coupled with the aggressive, dedicated effort of our chapter brothers and Executive Office Growth Consultants resulted in the following:

- ***1,235 new associate members in Fall 2023;***
- ***60% of our chapters increased in size from the year before;***
- ***the biggest recruitment class in the last 7 years, with 14 less chapters!***
- ***a 25% increase from the previous year!!!***

I've heard that some have said that this high associate number is largely the result of the wildly successful effort by our Delta Gamma brothers at the University of Mississippi. Respectfully, the numbers do not bear that claim out. While we heartily congratulate our Delta Gamma brothers for their incredible success, we don't want to miss recognizing nor should we unintentionally minimize in any way the other 47 chapters that have increased their chapter's membership year over year. By any measure, our combined chapter effort in Fall 2023 was an incredible success!

#### **CHAPTER GROWTH:**

I am also excited to share that the average chapter size across the country in 2023/24 has ***increased approximately 17%***. In fact, it is the ***highest average Phi Tau chapter size in the last five years***.

Similarly, the number of chapters has increased this past year from 78 to 82. I was proud to attend the chartering of our new chapter at Clemson University. The following is a list of recent and upcoming expansions:

#### **Fall 2023:**

San Diego State University  
Bowling Green University  
Grand Valley State University

#### **Spring 2024:**

University of Dayton  
Texas Tech University  
St. Louis University  
University of Arizona

#### **Fall 2024:**

Texas A&M University  
California State University – Fullerton

In addition, I have communicated with alumni from California, Texas, New Mexico, and Kansas regarding the re-establishment of chapters which have closed. As an example, I participated in a Zoom meeting with brothers from Beta Zeta chapter in New Mexico. I was happy to witness their earnest willingness and effort to re-establish their chapter.

I also traveled to universities for the express purpose of reestablishing closed chapters or assist current chapters. As examples:

1. I traveled to Lexington, Kentucky to meet with Kappa officers and potential Kappa BOG members.
2. I traveled to El Paso, Texas for two days to meet with Phi Tau alumni and an administrative official from the University of Texas at El Paso regarding the desire to re-start the Alpha Psi chapter. We discussed plans going forward.
3. Similarly, CEO Arnold and I traveled to San Marcos, Texas, to meet with a Texas State University administration official, the incoming and outgoing Texas State Greek IFC Chairmen, and Gamma Psi chapter Resident Council officers, BOG Chairman, and Graduate Council President. The meeting was to discuss our Phi Tau, Gamma Psi chapter returning to a recognized "on-campus" status, recognized by the University and IFC. The meeting was a complete success, and CEO Arnold is working with the Texas State administration and IFC to finalize the plan to reinstate Gamma Psi.

I also met with brothers from chapters which are struggling to survive for several reasons. As examples, I and others have met in person and via zoom with undergraduate brothers from two chapters and discussed plans going forward.

As I said in July 2023, I am committed to helping brothers to re-invigorate chapters which are close to closing or have closed. I encourage alumni to help in this effort. If you have the inclination and time, please reach out to me to help.

### **EXECUTIVE OFFICE, FINANCIAL UPDATE, & NATIONAL HEADQUARTERS:**

#### **EXECUTIVE OFFICE:**

Our Executive Office is now fully staffed. The following is an up-to-date listing of our Chapter Services and Growth/Expansion teams:

#### **Chapter Services:**

Drake Berlin	Director of Chapter Services
Craig Krygowski	Asst. Dir. of Chapter Services
Ethan Bunn	Chapter Services Consultant
Ali Merchant	Chapter Services Consultant
Josh Hehman	Chapter Services Consultant

#### **Growth/Expansion:**

Hunter Pemberton	Director of Organizational Growth
Ryan Callahan	Membership Growth Manager
Danny Baldwin	Senior Growth Consultant
Noah Shipley	Growth Consultant
Zak Belbina	Growth Consultant

I am excited to confirm formally that our Executive Office consultants will once again travel to chapters throughout the year to help with recruitment, membership orientation, and other issues. This already began in Fall 2023, **where Growth Consultants traveled to 29% of our chapters** to help chapters focus on their growth initiatives, along with scores of other chapters actively consulted via phone. **In the coming year, all consultants will be on the road!**

One item I have discussed with CEO Arnold is the responsiveness by the Executive Office staff to member outreach. CEO Arnold has worked hard in restructuring our fraternity's consultant model in the last months and in that process, Matt has implemented an improved internal performance tracking system. This should improve responsiveness. Additionally, we are considering different software solutions that will better track responsiveness - - basically making our fraternity more "customer friendly." I'm confident that in Matt and our executive staff's desire to be responsive and their work toward that end.

#### **FINANCIAL INFORMATION:**

This Spring, chapters will see a credit on their invoices for the educational assessment. This credit is a direct result of the Foundation's grant which was approved in October 2023, discussed in more detail below.

As you know, an educational assessment fees credit was applied to all Fall Chapter bills. Please allow me to make a comment regarding the Fall credit and the dues increase the Council approved last Fall: Several brothers continue to express to me and others a continuing frustration and negative perspective of the Fall increase. I did my best in a letter I sent the membership last Fall to explain why all this was done in the way it was done. I'm not going to reiterate again what I said in that letter, except to encourage you to go and re-read that letter. In it I describe the good faith analysis the Council and CEO engaged in to determine that our chapter dues were too low and had not been adjusted in several years to address increased costs. The decision to implement a Fall increase had zero - - **absolutely zero** - - to do with the "rebate" that was approved at the Convention. If members choose to continue to believe otherwise, I'm not sure what else to say but please see that monies are being spent wisely, the increase was necessary and long overdue given economic conditions, and we are now seeing a good return on the investment.

On another note, the National Council and CEO are excited that the Fraternity audit conducted by Kirsch CPA Group was completed by year-end 2023; **this is a huge accomplishment - - while the Fraternity completes an independent audit each year, this one is the fastest completed audit for Phi Tau in many years!** It demonstrates a commitment to good financial management. The promptness of this audit is due to the dedicated commitment of our CEO, V.P. Lummus, and National Councilors French and Bailey. A huge thanks goes out to these men!!

#### **HEADQUARTERS BUILDING:**

If you have visited and toured our headquarters building in the past year, you will have noticed that not only is it largely empty due to staff and others working offsite, but also in need of significant repair. For these and other reasons, a Task Force was formed for the purpose of analyzing all issues relevant to repairing, modifying, leasing, and/or selling part or all of the building.

To put this issue in context, it should be noted that the building and lot is owned by the Foundation (81%) and the Fraternity (19%). The Fraternity continues to occupy the building as our national headquarters and is repaying a loan made long ago by the Foundation related to the property. The Task Force is comprised of members of the Foundation (Brothers John Sayers, Jack Alvenus, and Charlie Ball), National Councilor Scott Brown, and CEO Arnold. The Task Force is considering all priorities and issues relative to this issue, including current and future office space needs, financial responsibility, the honoring of donors and legacy, proximity, and other important factors.

No decisions have been made. Presentations of information gathered to date by the Task Force, including cost analysis and information provided by VSWC Architects, an architectural firm retained by the Foundation, were made at the in-person meeting of the Foundation Board of Trustees in October 2023 and the in-person meeting of the Fraternity National Council in November 2023. Members of each entity posed questions to the Task Force members and a need for additional information. The issue will again be addressed in detail at the joint in-person meeting of the NC and Board of Trustees in April 2024.

I invite all comments on this complex financial and historical issue. I can assure all brothers that every person is taking this issue at the highest level of importance.

#### **PHI KAPPA TAU FOUNDATION:**

Anyone attending the 2023 Convention can attest that a concern existed among some regarding the operation of the Foundation. Resolutions passed at the Convention called for a detailed review of the financial transactions involving the funding of Kappa chapter's house as well as a review of all transactions conducted by the Foundation in the past year. Here is a report of the Foundation, **from my perspective as National President of the Fraternity, based on what I have seen and what I know.**

For several reasons, including what occurred at the Convention, approximately one month into my term as President I drafted and sent a letter to the Foundation's Board of Trustees expressing my concerns and conveying certain requests. I requested a meeting with the Foundation Chairman to discuss these issues. Not long after, I was pleased to receive communication from the Foundation Chairman, Brother Jeff Hilperts, who suggested an in-person meeting with me to discuss all issues relative to the Fraternity and Foundation. We met not long after that, and since then have followed through on our agreement to communicate weekly by phone or Zoom. I also attended the in-person meeting of the Foundation's Board of Trustees in October 2023.

I must share that I am very optimistic about the Fraternity and Foundation's relationship going forward. **Several unprecedented steps have been taken by the Foundation** which shows a new direction in completely fulfilling its mission in supporting and serving the "*educational undertakings of the Phi Kappa Tau Fraternity.*" From what I have seen, the Foundation is now being operated as a professionally operated 501(c)(3) foundation with its own Executive Director to guide it into the future. Having spoken many times to Brother Hilperts and other Trustees and **witnessing the Foundation Board's actions in the last several months**, I believe wholeheartedly that the Trustees are dedicated brothers who earnestly want to support the Fraternity and fulfill their mission in an honorable way.

To that end, I share the following significant developments that have occurred:

1. **Transparency:** These last couple of months, the Board of Trustees have made significant strides in ensuring its commitment to openness and accountability. It is initiating an **unprecedented procedure** of transparency:
  - a. **Audits and Forms 990:** The Foundation's IRS Forms 990 (some refer to these as the Foundation's "tax returns") are now readily available for review in *Guidestar.org*. GuideStar is the leading source for aggregated information on nonprofits in the U.S. This platform allows members to review and understand the Foundation's financial disclosures, providing insights into the Foundation's financial health. It should be noted that the Foundation has been given a gold star rating.
  - b. **Other Documents in our Phi Tau Online Portal:** The Foundation will be providing ready access to many documents that members have been wanting to see:
    - i. **Donor and chapter information:** Access to this information will (i) give members access to their own personal giving information, (ii) provide insight into the financial status and use of donor funds, and (iii) for constituents with funds within the Foundation, such as chapter educational grant funds (CEGs), the portal enables members to view available balances and conveniently request funds directly through the website.
    - ii. **Audits:** The Foundation's annual independent audits will be available on this portal.

- iii. **Foundation Annual Meeting Minutes:** The Foundation is now committed to publishing the meeting minutes of the twice-annual, in-person meetings. They will be available for review upon their approval in the subsequent board meeting.
- iv. **Kappa Chapter Task Force Report:** This report, finalized during the summer of 2023 and presented during the 2023 National Convention, is now accessible.

A video tutorial will be provided by the Foundation to assist members in navigating this new system. Please note that these documents are coming down the pipeline and will be made available soon.

**This level of transparency by the Foundation and access to information is unprecedented.** Nevertheless, if you have concerns going forward, please let me know so that I can communicate these concerns and seek to get them resolved, or, if you choose, seek out a Foundation Board member.

2. **Joint Coordinating Committee:**

One item I requested in my letter to the Foundation was the continued operation of the JCC, albeit with a different focus. The Foundation agreed with this proposal. Specifically, we will proceed with a JCC that will discuss, analyze, coordinate, and make recommendations as to issues that relate to both the Fraternity and Foundation. Preliminary drafts of a revised charge for the JCC's operation going forward have been drafted and revised and will be circulated for approval by both entities and disclosed to the Fraternity membership as soon as it is approved.

As an example of the new working environment between the Fraternity and Foundation, the JCC met recently and agreed to conduct monthly meetings hereafter unless circumstances dictate a different cadence. Importantly, the representatives of each entity agreed on several important points: (1) the need for complete transparency as to all transactions; (2) the need for better alignment of vision and strategy, and (3) the need for review by the National Council and the Board of Trustees regarding any significant transaction, and elimination of the past practice of decisions being made by an alarmingly small number of persons.

Through transparency, teamwork, vigilance, and adherence to our fraternal values, our membership can attain greater confidence in our Foundation, which will necessarily make our Fraternity stronger for decades to come.

- 3. **Grant Request:** The Foundation unanimously approved a grant to the Fraternity of over \$310,000 for the current fiscal year. Also, the Foundation's Board communicated to me, VP Lummus, and CEO Arnold the Board's desire to make similar donations in coming years if the Foundation's funds allow. Concomitant with that, the Foundation has launched an aggressive "*Boles 1,000*" fundraising campaign to raise a minimum of \$1,000,000/annum.



4. **Kappa Housing-Related Review:** At the National Convention, a report was delivered to the governing boards of the Fraternity and Foundation as well as to attending members. This report was prepared by the “Kappa Task Force,” a group comprised of representatives of both the Fraternity and Foundation. It is my understanding that the Task Force reviewed transaction-level materials relating to the funding of the Kappa house construction project.

Nevertheless, pursuant to the resolution passed at the 2023 National Convention, I requested that the Foundation permit the Fraternity to conduct an additional detailed review of every single transaction relating to Kappa. I conveyed this request in my August letter to the Foundation, my subsequent meeting with Chairman Hilperts, as well as in person later at the Foundation’s Fall meeting. The Trustees approved cooperating with the Fraternity regarding this review. To this end, I personally will be involved in the review together with other members of the National Council and commit to the Fraternity that it will be done. Coordination between the Foundation and I to begin the review has been ongoing, and we are scheduled to commence the review in the coming week. I will report the findings of this review as soon as possible.

5. **Full Financial Review:** The Trustees also approved the requested opportunity to conduct a full financial review by a third-party accounting firm - - *this is above and beyond the independent audit that the Foundation already produces annually* - - provided that all expenses arising from the retention of this additional accounting firm and the time taken by Trustees to assist in the audit are fully funded. I think it’s important to remember that the Foundation is a distinct corporate entity from the Fraternity, and therefore the Fraternity has no legal or policy authority to instruct the Foundation to comply with this request, nor is the Foundation obligated to volunteer opening its books for review in this manner. Nevertheless, the Board made clear to me, Fraternity VP Lummus, and CEO Arnold at the Foundation’s in-person meeting that it was agreeing to do this to demonstrate (1) its complete willingness to cooperate with the Fraternity and address its concerns, and (2) it has nothing to hide.
6. **Headquarters Building Task Force:** A Task Force has been formed among representatives of the Fraternity and Foundation to explore issues related to our headquarters. I discuss this in further detail above in the section titled *Executive Office, Financial Update, and National Headquarters*.
7. **Continuing Communication:** As I mentioned, Foundation Chairman Hilperts and I have committed to continue weekly discussions to stay on top of all then-current issues and discuss plans going forward.

Given the concerns between the Fraternity and Foundation that I know have been expressed by brothers before, at, and after the 2023 Convention, I truly believe that we have accomplished a great deal relative to Fraternity and Foundation’s relationship. Will some brothers still want responses to their questions more quickly, or continue to distrust the

Foundation, or otherwise have doubts or complaints? Based on what I've seen and heard, yes, that's probably the case. But I truly believe that we are working now on a great trajectory to the right place, and I commit to continue that progress.

Make no mistake about my consistent position: the Foundation was created to serve the educational interests of the Fraternity, within the confines of applicable law and through its fulfillment of its legal duty to its donors, and it is obligated to continue to do so in the future. I've made that very clear to Chairman Hilperts and the Foundation Board. ***Yet, particularly because the remarkable progress we have made in the last five months and are continuing to make,*** I encourage every brother to try to be positive with each other and about each other in the spirit of brotherhood, to refrain from encouraging negative comments that are rooted in past frustrations, and continue working together, all of us as brothers, toward what Ewing Boles and others had in mind when creating the Foundation. I believe we have made gigantic strides in the last several months toward that goal and that we will continue on that path.

Brothers, I hope all this information is helpful in sharing with you what's going on. I will try to continue to provide this type of information regularly. If you have a question or comment about any of the items mentioned above and/or anything else, please reach out to me or any other member of the National Council. We can easily be reached by hitting the link that is below each of our photographs on the website, which takes you to our email address. Mine is [mmccrum@phikappatau.org](mailto:mmccrum@phikappatau.org).

By the way, I think it's appropriate that I share some information about Facebook. I'm fully aware that a small percentage of our brothers participate in Facebook posting. I've had discussions with Brother Logan Lukacs about the metrics he has found regarding the number of brothers who get information through email, Facebook, Sidelights, and otherwise. While I find a need to get on Facebook every now and then, it is extremely rare. So, if you want me to know how you feel about something, please send me an email or call/text to 210.854.8585. I'm happy to discuss anything with you. I want to hear from you. I encourage you to register for my next Town Hall Discussion. Please sign in and join the conversation!

With much love for my brothers and our Fraternity,

*Michael "Mike" McCrum*  
National President