



# PHI KAPPA SIGMA

## INTERNATIONAL FRATERNITY, INC.

# 2018-2019 FEE SCHEDULE

Approved:	March 11, 2018
Effective Date:	September 15, 2018

## BACKGROUND & SUMMARY

### Fee Background

The International Fraternity collects fees in several forms (e.g., undergraduate fees, chapter assessments, new member and initiation fees) to provide the services and products we offer as an International Fraternity. These costs are incurred on behalf of all chapters and colonies so that we may operate the business of the Fraternity. The programs and services we offer/provide take on many forms (e.g., leadership and education programs, risk management education and services, expansion/growth activities, Grand Chapter, Men of Honor, volunteer and staff expenses, trademark management, ritual paraphernalia, etc.). The fees themselves are meant to be spread among all participating entities and are based on different factors so as to minimize the burden yet at the same time, provide for budgetary needs.

### Fee Change Explanation

As with any non-profit organization, we have a responsibility to manage our operations in a fiscally responsible manner. This means that we must adjust our fees occasionally to account for increases in our costs and/or net membership totals.

Our Constitution & Acts, under Act 2 - Fraternity Revenues, limits any annual fee increases to a formula **based on the four-year cost of membership which is calculated as the New Member Fee + Initiation Fee + 3 times the Undergraduate Fee + 4 times an average portion of the Chapter Assessment.**

#### Limiting Factor 1:

The total four-year cost of membership cannot exceed 5% over and above the rate of inflation. **This past year, the Consumer Price Index (CPI) increased 2.10% for a total potential increase limit of 7.10%.**

#### Limiting Factor 2:

Our Constitution & Acts also states that an increase cannot cause our four-year cost of membership to exceed the all-fraternity average four-year cost of membership.

Summary		
Previous	2017-2018 Total 4-Year Cost	\$824.88
Limiting Factor 1	C&A metrics, allowable increase	\$883.88
Limiting Factor 2	Average of FEA Fraternities	\$910.90
<b>New</b>	<b>2018-2019 Total 4-Year Cost</b>	<b>\$877.21</b>

The Fraternity takes this decision very seriously and fully appreciates the financial impact changes have on our chapters and our members. In addition to reviewing current budget data and projections, we continue to remain extremely cost competitive to most fraternities. However, we have noted that certain fees may not appear this way and, therefore, we have minimized increases to support the efforts of our chapters.