



KAPPA ALPHA THETA

Message to Chapter CFOs

MEMBER FEES

As your chapter's chief financial officer, you are probably fielding numerous questions right now regarding chapter member fees and possible refunds or credits from your chapter checking account. We imagine this is creating some additional stress for you during an already stressful time!

Some of the questions we're hearing are: Should chapters still invoice members for the remainder of this semester or quarter? Should chapters issue refunds of amounts already paid or issue credits?

We want you to know that we are here to help, and we anticipate many additional communications with you and your finance advisors (FAs) over the next few weeks. For now, Theta's finance staff offers some information and recommendations to help you think about how your chapter would like to approach modifications to the fees your chapters charge each of your members.

NON-HOUSED CHAPTERS

Many chapters budgeted for events that have now been cancelled. This means members have not received some of the benefits they thought they were getting from a portion of the dues they paid to the chapter.

In many cases, these cancellations also result in chapter social and officer expenses coming in below what was budgeted. As a result of the lower expenses, chapters may have excess funds at year-end and can consider refunds to members. We agree that it's completely appropriate, given the unique circumstances, for chapters to consider lowering their fees for this fiscal/academic year (7/01/2019-6/30/2020). Theta's finance staff recommends refunds in lieu of credits or in lieu of not invoicing remaining installments for the semester or quarter. We further recommend that these refunds occur in May or June.

There are a few reasons chapters may want to consider this recommendation.

- All members should have paid their accounts in full by the end of the academic year; therefore, limited administrative work by the CFO will be needed in order to determine who gets the refunds.
- Chapters will have a clearer picture of the total funds available for a refund by the end of the academic year, and this may put the chapter in a position of releasing a larger refund than if it is done now.

In addition to encouraging chapters to issue refunds in May or June, we are also encouraging chapters to continue to invoice members for any remaining amounts due for the academic period. Again, this will ensure chapters have collected the full amount of dues from each member in accordance with your chapter bylaws.

HOUSED CHAPTERS WITH A LOCAL FACILITY CORPORATION OR FHC NON-FMP CHAPTERS

To chapters with a house owned by a local facility corporation or a chapter in FHC that is not currently in the Facility Management Program (FMP), we recommend reviewing reductions to room, board, usage fees and out-of-house board before determining any dues reduction. Some universities indicate they will provide their dorm students a reduction in

room and board as a result of campus closures. If your chapter is closed for the remainder of the academic year, the chapter should consider a reduction in room and board fees prior to calculating any reduction in dues. When determining room and board reduction, chapters should consider the fixed housing expenses remaining for the year. This includes wages, facility corporation rent, utilities, etc. Theta's finance staff recommends calculating any potential refund in May or June so that all expenses and income have been accounted for. With a reduction in social and officer expenses, housed chapters should be able to accommodate a partial refund of the housing fees.

FHC CHAPTERS IN FMP

We anticipate reducing the 2019-2020 room, board, usage fee, and out-of-house board for chapters owned by FHC and currently in the Facility Management Program on campuses closed for the remainder of the year. This reduction will be done by cancelling the April installment for semester chapters and the Spring installments for quarter chapters. Members should continue to pay any outstanding invoices through their March 1st payment. For chapter houses on campuses that have not closed, but are operating on a reduced occupancy, those members living in through the end of the semester or quarter will continue to receive their scheduled housing invoices through the end of the academic year.

REFUNDS NOW OR LATER?

We do understand some chapters may not want to wait to process refunds. It may not be feasible for your chapter to expect collection of all invoices prior to determining revised chapter fee amounts. As a chapter, you can make the decision now to lower the current year fees and issue credits or not invoice remaining amounts due. This will obviously take more administrative work on your part as you work through which members should get credits based on amounts paid, outstanding balances, and members on payment plans. Processing refunds now instead of May or June will require careful determination, especially for housed chapters, of what expenses remain for the year.

ESTABLISHING AND VOTING ON MODIFIED CHAPTER FEES

Since chapters establish the fees they charge via their chapter bylaws, your chapter will need to vote to modify them. In consultation with your advisory board and budget district director (BDD), the executive committee should determine an appropriate reduction in chapter fees for a vote by the chapter. This vote can be done electronically. For more information on voting electronically, please see the FAQs at <https://www.kappaalphatheta.org/members/coronavirus-update>

PROCESSING REFUNDS OR MODIFYING CHAPTER BILLING

Theta finance staff members have had several conversations with Billhighway, which has provided a solution for refunds. This solution requires chapters to complete a template list of the amount of refund per member. The refunds will be made to members who paid by credit card or e-check. We anticipate providing this template and instructions to you within the next few days. Again, Theta staff recommends waiting until May or June to make any decision on refunds; however, chapters making the decision to do refunds in the next couple of weeks will be able to do so. Please note that if a member mailed a check to Billhighway in lieu of paying by credit card or e-check, any refund will be made by check. More details on this will be given as we continue our discussions with Billhighway.

COMMUNICATING WITH YOUR SISTERS

This is a challenging time for everyone! On a smaller scale, you are facing the same issues as colleges and universities as their administrators plan how to issue refunds on room and board. We encourage you to let chapter members know that you are working with your advisory board and executive committee on refund plans.

And please know that Theta's finance staff is here to help. We wanted to provide you some immediate information and recommendations to help you think about modifications to chapter fees, and we also anticipate many additional communications with you and your FAs over the next few weeks. As we work together, please do not hesitate to contact staff, thetafinance@kappaalphatheta.org, or your BDD.

