

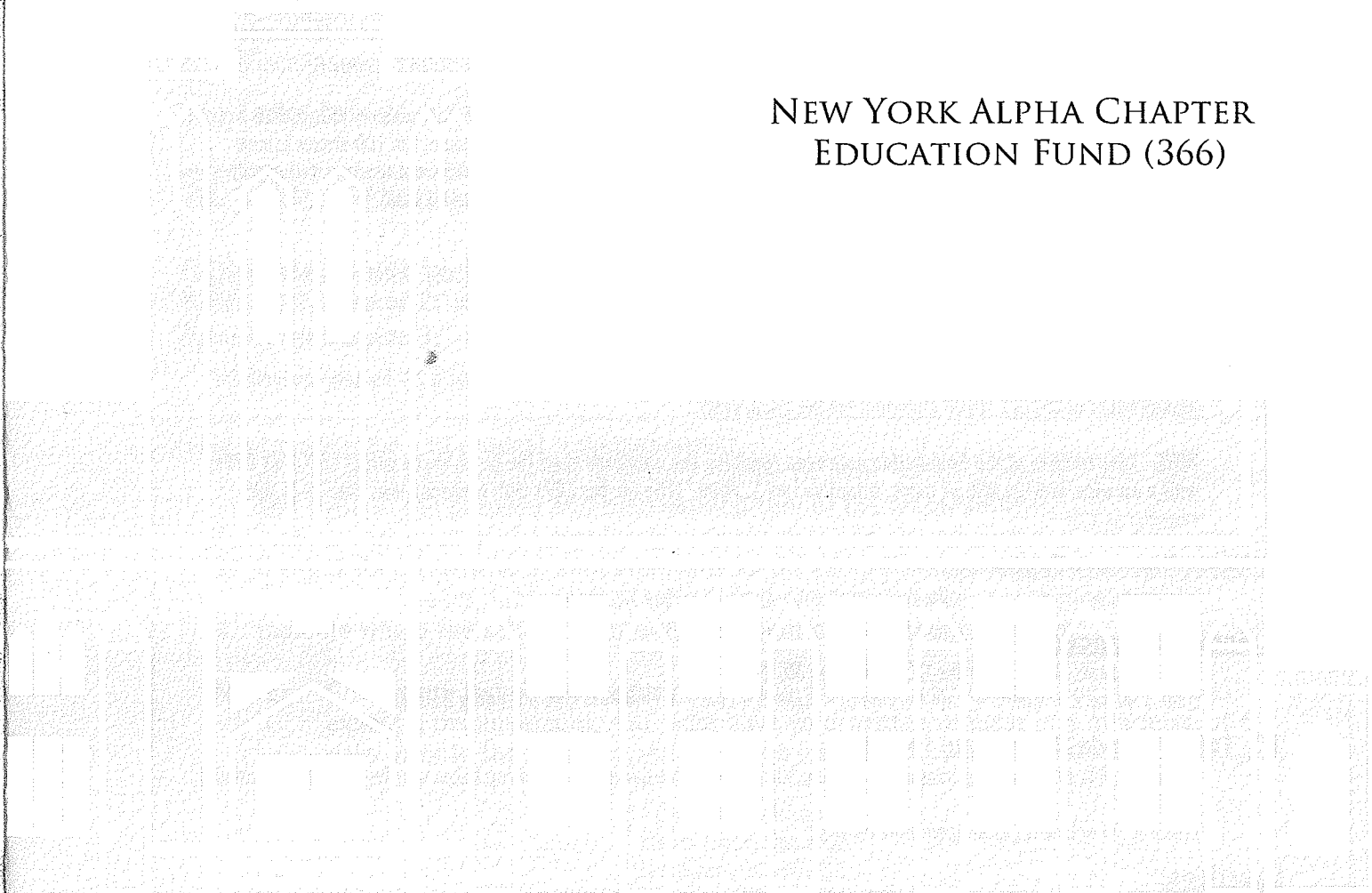
Chapter Fund Activity Report

SIGMA ALPHA EPSILON



FOUNDATION

NEW YORK ALPHA CHAPTER
EDUCATION FUND (366)





1. Beginning Balance:

The value of the Chapter Education Fund as of the beginning of the report period, July 1, 2005.

2. Contributions:

This figure includes restricted gifts received during the report period (July 1, 2005 – June 30, 2006).

3. Interest and Dividend:

Income earned from interest and dividends on invested funds of the Foundation.

4. Realized Gain/ (Loss) on Investments:

This represents the actual gain or loss from the sale of securities in the Foundation's investments during the report period. A realized loss is the value of a loss that results from a trade. A realized gain is profit from the proceeds of an actual sale.

EXAMPLE: The Foundation buys 100 shares of a stock on January 1 for \$1,000 plus a \$35 commission. This makes a cost basis of \$1,035. On June 30, the Foundation sells the shares for \$12 per share plus a \$35 commission on the sale. This creates a realized gain of \$135. $(\$1,200 - \$35) - (\$1,000 + 35) = \130 realized gain

5. Unrealized Gain/ (Loss) on Investments:

This represents market appreciation (capital gain) of the Foundation's investments during the report period for which the Foundation has not yet received cash. Unrealized gain is the increased value of a security owned by the Foundation (no sale has taken place).

EXAMPLE: The Foundation buys 100 shares of a stock on January 1 for \$1,000 plus a \$35 commission. This makes a cost basis of \$1,035. On June 30, the Foundation enters a valuation of \$12 per share. The value of the 100 shares is now \$1,200, creating an unrealized gain of \$165. The value of the investment increases by \$165 and the Foundation still owns the shares, yet has received no cash. $\$1200 - (\$1000 + 35) = \$165$ unrealized gain

6. Scholarships and Awards:

All disbursements made from the CEF during the report period (July 1, 2005 – June 20, 2006). Disbursements may have been for scholarships, Leadership School tuition or any other "wholly educational purpose."

7. Administration Fee:

Per the Chapter Education Fund agreement, the Sigma Alpha Epsilon Foundation assesses a 2% fee semi-annually for management of the CEF (\$100 minimum fee per fiscal year).

NOTE: The Trustees of the Foundation approved reducing the administration fee to 50 bases points (.5%) for CEFs with a balance of \$125,000 or more, effective July 1, 2006. (The fee for CEFs with balances less than \$125,000 remains at 2%)

8. Miscellaneous Expenses:

Interfund transfers and miscellaneous expenses to the fund during the fiscal year.

9. Ending Balance:

This represents the value of the CEF as of June 30, 2006.

$(\text{Line 1} + \text{Line 2} + \text{Line 3} + \text{Line 4} + \text{Line 5}) - (\text{Line 6} + \text{Line 7} + \text{Line 8}) = \text{Line 9 (Ending Balance)}$

10. Total Spendable Income for FY07:

Each year, 6% of the ending balance as of June 30th is available during the following fiscal year for "wholly educational purposes."

$\text{Line 8} \times .06 = \text{Line 9 (Total Spendable Income)}$

Questions:

Please contact the SAE Foundation at the address/phone number listed below if you have any questions about your CEF activity report. The following individuals are available to assist you with your questions:

Use of the fund and general questions Chris Speelman, (800) 233-1856 ext. 221 or cspeelman@sae.net
Financial Summary Chris Speelman, (800) 233-1856 ext. 221 or cspeelman@sae.net
Investment Information Beth Taylor, (800) 233-1856 ext. 240 or btaylor@sae.net



New York Alpha Chapter Education Fund (366)

Report Period - July 1, 2005 through June 30, 2006

Financial Summary

1. Beginning Balance: July 1, 2005.....	\$16,049.13
2. Contributions	\$678.23
3. Interest and Dividends.....	\$313.18
4. Realized Gain/(Loss) on Investments.....	\$72.79
5. Unrealized Gain/(Loss) on Investments.....	\$1,379.31
6. Scholarships and Awards	(\$0.00)
7. Administration Fee.....	(\$320.98)
8. Miscellaneous Expenses	(\$0.00)
9. Ending Balance: June 30, 2006	\$18,171.66
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10. TOTAL SPENDABLE INCOME FOR FY07	\$1,090.30

Fund Administrator 1: Mr. Harris H. Palmer Jr.

Fund Administrator 2: Mr. Kevin Thomas Merriman

Fund Administrator 3: Dr. Lance Edward Peters

Fund Administrator – to request a disbursement,

1. All requests must be made in writing, either by mail, email or fax, to Chris Speelman and include the purpose and total expenditure of the disbursement.
2. Include the name of the scholarship recipient(s) and the amount(s) to be disbursed.
3. If the disbursement is a reimbursement for an educational expense, provide an itemized list of components, including photocopies or scans of corresponding invoices.
4. Indicate where the scholarship/reimbursement checks should be sent.

NOTE: Checks are issued on approximately the 10th and 25th of each month. If you expect a disbursement, you must have your written request in a minimum of 5 days prior to the date the check will be issued.

Chris Speelman
1856 Sheridan Rd.
Evanston, IL 60201
cspeelman@sae.net
(847) 475-2250 fax

CHAPTER EDUCATION FUND FAQ

How does the balance of a CEF fluctuate?

The balance of a CEF grows from private tax-deductible contributions and from investment when the economy is strong. The balance of the CEF decreases when distributions are made for the benefit of the Chapter, when the annual 2% administrative fee is assessed (\$100 minimum), and when poor investment performance occurs because the economy is struggling.

What if all available spendable income is not spent by June 30th?

If the amount available for distribution in a given fiscal year is not disbursed, it is not lost but retained permanently in the corpus of the CEF to earn income for the future benefit of the Chapter.

How can money be used from a CEF?

Income from a CEF can only be used for those projects and/or endeavors deemed "wholly educational in nature." Such projects/endeavors include: scholarships for National Leadership School and/or regional leadership school, college or university scholarships (to cover books, tuition, etc.), the purchase of computers or computer accessories or the renovation/enhancement of "scholastic areas" of a chapter house. (Note: Items that are currently not considered educational in nature by the IRS are ritual equipment and transportation costs to and from Leadership School.) Also, if the balance of the fund exceeds \$25,000, a chapter may borrow against this balance for the purpose of making "major" chapter house improvements; however, any such loan will be subtracted from the CEF account balance before calculating the 6% amount of annual distribution for grants as described below.

When and in what amount can CEF distributions be made?

Distributions can be made year-round, but it is important to note that the Σ AE Foundation fiscal year runs July 1st to June 30th. The maximum amount that can be distributed to the Chapter is equal to either 6% of the CEF's balance at the end of the preceding fiscal year or the then current tuition cost for one undergraduate brother to attend National Leadership School (whichever is greater). Also, CEF checks are issued on approximately the 10th and 25th of each month. If you expect a disbursement, you must have your request in a minimum of 5 days prior to the date the check will be issued.

Who can request disbursement from a CEF and what is needed before a disbursement can be made?

The "Fund Administrator" can request that a disbursement be made from his chapter's CEF. This primary Fund Administrator must make this request in writing, either by letter, fax or e-mail, to Chris Speelman, (cspeelman@sae.net), and in such correspondence must state: 1. the purpose of the total expenditure and 2. provide an itemized list of its components, including photocopies of corresponding invoices (without exception, a phone conversation without a confirmed written request is not acceptable).

Sigma Alpha Epsilon Foundation

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