

November 1, 2015

NIC Members,

The North-American Interfraternity Conference (NIC) and the fraternity industry as a whole are at a critical juncture. A trade association of like-minded fraternities is an essential vehicle to provide a clear, compelling and decisive strategy for how fraternities partner with higher education to enact positive changes and to ensure that the fraternal movement thrives in the future.

With this in mind, and after several months of informal and formal discussions among fraternity leaders about the future of the Conference, the NIC Board of Directors created the NIC 2.0 Commission to restore *Trust and Confidence in the Conference*.

To accomplish this important task, the Commission's charge was to:

- Incorporate concepts from the Interfraternal Collaboration Effort into workable recommendations for the special House of Delegates meeting in December.
- Develop additional strategic concepts into workable recommendations for the special House of Delegates meeting in December.
- Provide strategic direction to NIC's leadership for recommendations that will not need to be referred to the special House of Delegates meeting in December.

Over the past 60 days, fraternity executives and volunteers have sought to identify solutions that will address these needs in an interfraternal and inclusive manner to create increased value and opportunity for all NIC member fraternities.

This work has involved leadership from 30 NIC member fraternities and included four in-person meetings. Those involved have indicated that the work of the NIC 2.0 Commission is among the most productive interfraternal efforts of their careers.

The NIC 2.0 Commission is also aware that further collaboration is necessary with the leadership of culturally-based and multicultural member fraternities to ensure the Conference is positioned to meet their specific needs as it serves as the umbrella organization for all fraternities. The NIC 2.0 Commission is submitting resolutions that will immediately direct the new NIC President and CEO to work with these member fraternities to report back to the April 2016 Meeting of the Members on how the Conference can best support these critical constituents.

We look forward to talking with you and your organization prior to our meeting on December 2nd and 3rd in Fort Worth. If you have questions about any of the materials contained within this packet, please contact us at your convenience.

Fraternally,

Buddy Cote

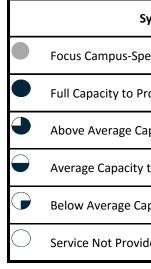
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Judson Horras Interim President and CEO North-American Interfraternity Conference

Buddy Coté Chairman, Board of Directors North-American Interfraternity Conference

NIC 1.0 versus 2.0 Comparison

Priority	Service	NIC 1.0	NIC 2.0
Campus Ground Game	Robust regional staff for IFC support including; crisis communication and coordinated engagement for community issues like standards, campus policies and deferred recruitment	\bigcirc	$\bigcirc \bullet$
	Strong local alumni IFC advisory teams accountable to the NIC	\bigcirc	$\bigcirc \bullet$
	Remote IFC support including; consultations, document review, and best practice resources	\bigcirc	
	Community planning through IFC accreditation and recurrent opportunities like IMPACT and Fraternity & Sorority Coalition Project		
	Community growth strategy through a referral pipeline for IFCs, council-wide CRM recruitment tool, customized marketing plan	\bigcirc	
	NIC Standards compliance for IFCs and member organizations including direct coordination of opportunities for member organizations to expand to campuses		$\bigcirc lacksquare$
Communication and Public Relations	Advancing the brand of fraternity through targeted and consistent messaging, marketing for growth, disputing stereotypes, and multi-channel outreach	\bigcirc	
	Defending the brand of fraternity by reframing the narrative, media monitoring, and industry-wide response protocol	\bigcirc	
Advocacy	Issue monitoring, rapid response, and coordination within legal and governmental advocacy		
	Synergistic partnerships with higher education		
Data-Driven Engagement	Advanced relationship management technology to actively track and engage individual members in the work of the NIC	\bigcirc	
	Platforms to internally and externally display campus and member fraternity's performance in relation to NIC standards		
	Industry-wide data warehouse that enables informed decision-making	\bigcirc	
Education	Training/credentialing of campus fraternity/sorority advisors, IFC officers, alumni IFC advisors		
	Interfraternal leadership development through programs like UIFI and Futures Quest	•	
	Industry-wide educational programming on hazing, alcohol abuse, and sexual violence for member fraternities	\bigcirc	
	Sharing of best practices within the fraternal community	\bigcirc	



*Based on recommendations by the CEO, the Council will select Focus Campuses. Criteria for selecting Focus Campuses will be the size of the fraternal community, the number of member fraternities represented, and the number of privately-owned chapter houses.



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NIC 2.0 Frequently Asked Questions

General Questions

1. What is the NIC 2.0 Commission? Why did it come about?

- a. The NIC Board of Directors formed the NIC 2.0 Commission to restore trust and confidence in the Conference so it can continue to be the platform to advance all fraternities.
- b. We highly recommend you read the white paper found on page 59 that formalized the frustrations shared by many member fraternities in recent years. The document was used as a road map for the Commission's recommendations for stronger interfraternal collaboration.

2. What will be the priorities of NIC 2.0?

In priority rank order:

- a. An effective ground game for all IFC's and intense support for "Focus Campuses" to strengthen and build healthier fraternity communities.
- b. Consistent educational programming for all IFC officers, staff, and volunteers.
- c. Robust data systems to connect our industry and empower our members with important information.
- d. Sophisticated public relations efforts to advance the "Fraternity" brand.
- e. Effective advocacy programs that strengthen partnerships with higher education along with governmental and legal affairs.

3. Will NIC 2.0 still have a governmental relations agenda and focus? How will future governmental affairs decisions be made?

- a. Governmental relations are an important aspect of any trade association, and the NIC 2.0 Commission agreed that it should remain a priority of the NIC (see rank order of priorities above).
- b. The December House of Delegates (HOD) will have a full briefing and deliberations regarding the NIC's current governmental relations strategy.
- c. Following deliberations during the December HOD, the newly formed Council will set the conference's future governmental and legal affairs positions, policies, and resource allocations.
- d. The NIC's advocacy efforts will be greatly enhanced by a stronger Conference that is focused on its first four priorities.
- 4. With 73 member fraternities, has the NIC become too big to focus on a unifying vision and meet the needs of a very diverse membership?
 - a. Prior to NIC 2.0, yes. The Conference's governance, standards, and business plan did not evolve enough as the NIC grew, which has put it in this position.
 - b. The NIC 2.0 Commission's recommendations offer solutions for the Conference to remain the big tent for all fraternities, while also providing more flexibility in



its governing and business structures to meet the needs of a very diverse set of interests.

5. Why is the Conference developing a Fraternity Growth Accelerator (FGA)?

- a. The FGA is one example of how the NIC can be a trade association for all fraternities, yet flexible enough to meet the needs of its diverse membership. The FGA concept will allow a customization of resources and services from the NIC to fit the unique needs of this segment.
- b. The FGA is an investment in the future of the fraternal industry that will provide self-identified fraternities with the tools and resources to to effectively and efficiently manage the development of their organization.
- c. The public does not differentiate NIC member fraternities vs. non-NIC fraternities when they read in the news about a "Fraternity". The fraternity industry is best served by a trade association that assists in the development of all all fraternal organizations to help protect the brand of "Fraternity".
- d. See page 20 for more information about the FGA.

6. How will the NIC work with culturally based and multicultural fraternities that don't have the same needs as the FGA fraternities?

- a. The December 2015 HOD will empower the NIC CEO to collaborate with member fraternities to create a Culturally-Based Organizations Initiative for established and/or larger culturally based and multicultural fraternities that will be similar to the FGA. The NIC is eager to remain the big tent for all fraternities while it also becomes more agile in meeting the needs of its diverse population.
- b. The NIC CEO will submit to the April 2016 Meeting of Members a formal proposal for this initiative.

7. How will the NIC's relationships with higher education change?

- a. The NIC will have the capacity to provide hands-on leadership to help fraternities collaborate with our campus partners and develop healthy fraternal communities.
- b. The new NIC Standards will have clear accountability mechanisms and increased transparency which will foster trust and legitimacy for the Conference and member fraternities.
- c. The revised Standards speak to the importance of a stronger partnership with higher education.
- d. The NIC 2.0 Commission spent a significant amount of time soliciting input from our higher education partners as it developed the NIC's new vision.

8. Will the NIC office remain in Indianapolis?

a. Yes. While the NIC will have staff distributed across North America supporting campuses, the home of the NIC will remain in Indianapolis for geographic, economic, and historical reasons.



9. How will volunteers fit into the new NIC?

a. With volunteers such as advisors to IFCs, high-level strategy contributors on committees, facilitators for our educational programs, NIC ambassadors, and in some cases Council members, the NIC will build a very robust and effective volunteer workforce to achieve its ambitious goals.

10. Should our organization leave the NIC if we are not satisfied with its current position?

- a. Over the past six months, many interfraternal leaders have worked tirelessly in a truly collaborative manner to set a new vision for the NIC, and we strongly believe that a decision prior to December's HOD is very short-sighted and not helpful to the people trying to enact positive change.
- b. It will take the new leadership time to execute NIC 2.0's very aggressive vision. The leadership will need your support and patience as they begin the important task of restoring trust and confidence.

11. Who do I contact for more information or provide feedback?

- a. Please reach out to the NIC staff anytime.
- b. Each member fraternity will have specific outreach from a NIC 2.0 Commissioner during the month of November. For a list of NIC 2.0 Commissioners, see page 57.
- c. We strongly encourage you to contact the NIC's leadership prior to December 2nd as we will have limited ability to address your concerns once the voting process begins.

Accountability

- 1. Why are the NIC Standards and accountability measures changing?
 - a. The NIC is moving from "do you have a certain policy; yes/no" standards to performance-based expectations that encourage a race to the top rather than minimum policy-based expectations.
 - b. The new Standards will allow members to choose how to best operate their organization to achieve success.
 - c. The new Standards focus on protecting the rights of fraternities *as well as* embracing the responsibilities for member fraternities. The Commission worked very hard to develop a balance of both.

2. How can I be sure that the NIC is going to enforce its new Standards?

- a. The new Standards measure what matters (i.e., how you perform rather than whether you have a particular policy).
- b. Because they have been streamlined, the new Standards will be easier to understand and enforce.
- c. Performance of NIC Standards will be publicly displayed via the new technology initiatives outlined in the NIC 2.0 business plan.



- d. The NIC 2.0 business plan dedicates ample resources to transparency and Standards enforcement.
- e. See pages 43-56 for more information on accountability and Standards.

Business Plan

1. How will NIC 2.0 impact my fraternity?

Member fraternities will:

- a. have more influence on campus culture through joint efforts to enforce Standards and enact positive change;
- b. spend less time dealing with the vast amount of local fraternity community situations (i.e., recognition agreements, system-wide actions, local actions that don't comply with NIC Standards, etc.);
- c. have more opportunities for growth through improved recruitment support and expansion opportunities;
- d. have rich data to help make more informed strategic decisions;
- e. have access to professional communications support for public relations situations;
- f. participate in a purchasing and service sharing cooperative which will help them conserve resources and better pool expertise; and
- g. collaborate on industry-wide educational programs, thus improving the quality of their resource offering while lowering the cost per unit by leveraging large-scale efficiencies.

2. How do we know if NIC 2.0 will work?

- a. The successful interfraternal collaboration demonstrated during the NIC 2.0 Commission process has been an inspiring example of what can be accomplished by fraternities when they come together within a focused, strategic framework.
- b. NIC 2.0 will have the resources to attract and retain the industry's top talent, and ultimately the execution of the NIC's new vision will come down to outstanding leadership.
- c. Fraternities have never been more motivated to work together than during this period of intense challenge.
- d. Whether it is the loss of revenue due to increased regulations, member attrition due to chapter discipline, or decreased alumni support due to reputational risks, the cost of not enacting NIC 2.0 will be far greater than the investment in NIC 2.0.

3. When will member dues increase?

- a. Member dues will increase to \$405 per chapter starting September 1, 2016.
- b. Each fraternity that doesn't qualify for the FGA will be charged a one-time special dues assessment equal 50% of what was assessed for the 2015-16 academic year.



4. How will Focus Campuses be chosen?

- a. Based on the recommendations of the CEO, the Council will authorize which campuses are phased into the Focus Campus support program.
- b. The criteria for selecting Focus Campuses will be the size of the fraternal community, the number of member fraternities represented, and the number of privately-owned chapter houses.

5. How will the Focus Campus fees be assessed?

- a. Each member fraternity represented on the local IFC will be assessed an equal additional fee to cover the cost of providing services to the Focus Campus.
- b. The NIC will announce its new Focus Campuses at least nine months prior to the next academic year to give member fraternities enough time to plan for their budgeting cycles.

6. How will NIC's educational programming be affected?

- a. The Conference will implement consistent educational requirements for all IFC officers, volunteers, and staff.
- b. The Conference will continue to offer leadership programming that focuses on developing interfraternal leadership capacity, and we anticipate that the demand for this programming will grow under NIC 2.0.

Governance

1. Why is the Conference moving to a proportional voting model?

- a. The driving philosophy of the NIC 2.0 governance modifications is that *representation and investment should be aligned whenever possible*.
- b. Proportional representation is a commonly accepted governance model in diverse trade associations and for-profit corporations.
- c. In addition to a dedicated seat on the Council and proportional voting, the Fraternity Growth Accelerator (FGA) will give emerging fraternities more control of the services and programs they desire.
- 2. What is the difference between the annual Meeting of Members and current House of Delegates?
 - a. The Meeting of Members is a new name for the House of Delegates, and it remains the only entity that can change the NIC's constitution, bylaws and member dues.

3. Will the Meeting of Members still take place every April?

a. As already scheduled, we will meet this April in Lexington to update the membership on NIC 2.0 progress, finalize the details of the FGA, the Culturally-



Based Organizations Initiative, and review the Conference's plans for the 2016-2017 academic year.

b. The NIC's leadership will need to assess when and where to best position future membership meetings in order to maximize participation and minimize meeting fatigue.

4. How is the Board structure changing?

- a. The Board will now be a Council that meets quarterly.
- b. The Council will have one seat reserved for a member fraternity from the Fraternity Growth Accelerator, two at-large seats, and an unlimited number of seats for member fraternities that commit to the Council Financial Threshold (CFT).
- c. Each seat on the Council will have an equal vote.
- d. With the addition of being able to assess fees, the authority and powers of the Council are the same as the previous NIC Board of Directors.
- e. The Council's top priorities (in rank order) will be: 1) retaining and holding accountable the CEO, 2) setting the vision, priorities and pace for the Conference, and 3) setting policies and position statements for the Conference.
- f. The vast majority of the work of the Conference will be directed by the CEO and his/her professional staff and volunteer workforce.
- g. See pages 22-42 for complete details about governance changes.

5. How will the at-large Council seats and the FGA seat be elected?

a. Seats will be elected annually at the Meeting of Members for a one-year term.

6. What is the Council Financial Threshold (CFT)?

a. The CFT is the minimum amount a member fraternity must annually invest in the Conference in order to have a guaranteed seat on the Council.

7. Are dues and campus fees the only way a member fraternity can meet the CFT?

- a. No. A member fraternity that utilizes NIC programs or services can also earn credit toward the CFT. A portion of related fees that supports the overhead of the Conference is counted toward qualifying for the CFT. This calculation process is called the Council Financial Calculation (CFC).
- b. Examples of the CFT and CFC model are found on page 19.

8. How are the Council Financial Threshold (CFT) levels set?

- a. The December 2015 House of Delegates will set the CFT for the next five fiscal years.
- b. The CEO will provide updates on future CFT's once we have more information on the financial progress of the Conference. The CFT can only be raised by the members during a Meeting of Members.



9. What are the proposed Council Financial Threshold (CFT) levels?

- A member fraternity that desires to join the Council through a financial investment between January 1, 2016 and August 31, 2021 must meet the following CFT's: \$50,000 in FY17, \$62,500 in FY18, \$75,000 in FY19, \$87,500 in FY20, and \$100,000 in FY21.
- b. Member fraternities may elect to join the Council at any point so long as they commit to the CFT's through FY21.

10. Why is the NIC implementing this financial model for a guaranteed Council seat?

- a. The CFC and CFT model will incentivize member fraternities to utilize the NIC for programs and services beyond dues and Focus Campus fees since a portion of all revenue goes towards covering the overhead expenses of the Conference. The more member fraternities use the NIC for services and programs, the lower the NIC can keep its general dues.
- b. The NIC 2.0 Commission tried to align representation and investment as much as possible, and it believes this model achieves the philosophy better than the current governing system.
- c. Member fraternities have expressed a strong desire to have more oversight of the NIC's performance if they are going to make the very sizable investments required for a more robust trade association. The Commission also believes that a stronger NIC will benefit all member fraternities regardless of their financial investment.

11. Will this new governing model create an oligarchy of the big fraternities?

- a. Fraternities of all sizes on the NIC 2.0 Commission worked very hard to minimize the likelihood of any one segment having too much influence by creating three important mechanisms: 1) the CFC allows medium-sized fraternities to qualify for the CFT by utilizing NIC programs and services, 2) the two at-large seats on the Council and the one reserved seat for a FGA member fraternity will have an equal vote on the Council, and 3) the FGA empowers emerging fraternities with more control over how a portion of their fees are utilized.
- b. The Council will now have a guaranteed seat for a member fraternity from the FGA, while under the old governing model this fraternal segment has always been underrepresented.
- c. Consistent with how the NIC has operated in the past, a member fraternity pays dues for no more than 192 chapters. The new proportional voting model is also capped at 192 votes. The influence of smaller and medium-sized member fraternities will increase over time as their organizations expand faster under the NIC 2.0 vision.
- d. The fundamental purpose of the NIC is to help all fraternities grow and improve. A trade association that is not meeting the needs of its members, regardless of size, is going to experience attrition and ultimately fail.



- e. The new governing process is meant to secure more resources for the NIC to enable it to do more for the entire fraternal movement, not just one segment of fraternities.
- 12. What is the NIC going to do about "free riders" that are not investing but still receiving benefits from a stronger conference?
 - a. The NIC 2.0 Commission wants our members to vote for the changes because it is the right thing to do, not out of the fear of what could happen if an organization is not in the NIC.
 - b. The Council will move quickly upon passage of the changes to ensure that the greater investment being made by NIC member fraternities is appreciated and respected by non-NIC member fraternities.
 - c. The new NIC CEO will be instructed to engage all non-NIC fraternities prior to implementing any measure to ensure our interfraternal colleagues are given ample opportunity to support the new and exciting NIC.

13. How will the next NIC President/CEO be chosen?

a. The newly formed Council will empower a search committee to recruit the NIC's next CEO, commencing immediately after December 3rd.

