OVERALL, THE QUASQUICENTENNIAL year 2009-10 exceeded expectations in nearly every respect, and the gain on investments in the trust returned to the black. Excellent support by alumni through volunteer efforts, bequests, and generous contributions was impressive, while corporate and university financial support of the Convention and THE BENT remained high. TBP-CONNECT, a popular online member-only community of 7,300, grew by 2,400. The Financial Development Committee hosted receptions for alumni in 10 cities. MindSET, the TBI National K-12 Math & Science Program, received a major grant.

CHAPTERS
The 2009 Convention granted charters to Western Kentucky University and Boise State University, formally established as the Kentucky Gamma Chapter on February 27, 2010, and the Idaho Gamma Chapter on March 13, 2010. Accounts of the installations were published in THE BENT.

An inspection committee visited Embry-Riddle Aeronautical University last fall, and a petition from the school will be considered by the 2010 Convention. Two petitions for new chapters were received, and inspection teams will visit the local engineering honor societies at the University of San Diego and Fairfield University in September.

During the year, about 33,100 engineering students in the 236 TBI chapter schools were scholastically eligible for membership in the top one-fifth of their senior or the top eighth of their junior classes. About 42.2% of these were members of TBI at the close of the year, up from the previous year's 41.6%. About 2.8% were not initiated, chiefly because of their chapters' failure to hold spring ceremonies. The remaining 55% indicated a lack of interest in membership, down from 56% last year.

CONVENTION
The 104th TBI Convention was held in October 2009 in East Brunswick with New Jersey Beta as host. The meeting was fully reported in THE BENT and THE BULLETIN. The 2010 Convention will be hosted by Pennsylvania Alpha in King of Prussia. The 2011 Convention will be hosted by the Indiana chapters in Indianapolis.

The 2009 Convention: approved one amendment to the Constitution and Bylaws of the Association, which was ratified by the chapters; to require an Executive Council to take office within 11-14 months after its election; amended Bylaw XI to permit half-stipend scholarships to be awarded and clarify the duties of the Director of Fellowships; decided to use the standard reimbursement schedule for the 2010 Convention; accepted three appealed programs not accredited by ABET/EAC; recommended acceptance of the invitation from Kentucky Alpha to host the 2012 Convention in Lexington; and heard a status update on the K-12 MindSET Program.
OFFICIALS


Tau Beta Pi has three appointed Directors with responsibilities in major areas of its interest: D.S. Pierre Jr., P.E., serves as Director of Fellowships, E.J. D’Avignon as Director of Rituals, and R.W. Pierce as Director of Engineering Futures. Members of the Fellowship Board include: Dr. S.L.R. Holl, and Maj. J.L. Jamieson; L.J. Hollander, P.E., serves as Director of Fellowships, J.W. Johnson Jr. District Directors on July 31, were:

District 1 Lynn B. Farrington, E.I., Seilden J. Houghton, Matthew V. Paragano, Lauren J. Swett
District 2 Anthony M. Olenik, Thomas A. Pinkham IV, Jason Rogan, George Youssef
District 3 Dr. Edward P. Gorzkowski III, Alexander J. Rovnan
District 4 Joseph P. Blackford, Lisa C. Gascoigne, Russell L. Werneth
District 5 Curt G. Campbell, Rebecca A. Holcomb, Dr. Elizabeth A. Stephan
District 6 Kassy M. Lum, Dee Anne Stirm, Ellen S. Styles
District 7 Ellie R. Armstrong, David E. Dale, Andrew J. Flowerday, Curtis D. Gomulinski
District 8 Stacey L. Forkner
District 9 Robert C. Huck, Brenda A. Kramer, Adirann R. Sullivan
District 10 Brian R. Buisson, Daniel A. Kamat***, Brandon M. Page
District 11 Dr. James C. Hill, Sherry D. Jennings-King
District 12 Wade A. Hull, Lindy M. Johnson, P.E., Tricia E. Schwaller
District 13 Jeffrey G. Dabling, Dr. Richard W. Mead
District 14 Jeffrey A. Hester, Timothy M. Edgar
District 15 Joseph R. Burnett, Scott E. Fable

Mission

To mark in a fitting manner those who have conferred honor upon their Alma Mater by distinguished scholarship and exemplary character as students in engineering, or by their attainments as alumni in the field of engineering.

Vision

Tau Beta Pi will be universally recognized as the premier honor society.

Patrick D. Homen
District 16 Jason A. Corl
Scott V. Eckersall
Stacey H. Ross

(*** service anniversary of 18 years)

The International Headquarters staff, which is located on the Knoxville campus of the University of Tennessee, includes Executive Director J.D. Froula, P.E., Assistant Secretary-Treasurer R.E. Hawks, Director of Development P.B. McDaniel, and eight additional employees (see tbpi.org).

DISTRICT PROGRAM

Each District held at least one conference last year and conducted meetings during the 2009 Convention, and Directors visited many chapters during the year. The Directors and the Council cancelled the normal June 2010 meeting to reduce expenses.

ENGINEERING FUTURES

The TBI Engineering Futures Program presented a total of 195 training sessions by 40 volunteer facilitators to develop the leadership skills of student members during 2009-10. This program helps to prepare engineering students for their careers by enhancing their overall personal effectiveness through interpersonal-skills and teamwork-development seminars.

FELLOWSHIPS

The website carries reports by Tau Beta Pi’s 76th fellowship group of 30 students, 17 with stipend, who were selected in the spring of 2009. The 77th group, comprising 27 students—15 with stipend, will do graduate work in 2010-11 and was announced in the Summer 2010 BENT. Fellows with stipends are paid cash grants of $10,000 each. Eight James Fife Fellowships, sponsored by an irrevocable trust bequeathed by William Fife, CA A ‘21, were given.

AWARDS

Tau Beta Pi’s top chapter prize, the R.C. Matthews Outstanding Chapter Award, was given to Florida Alpha for the excellence of its total program in 2008-09. Honorable mention was awarded to Michigan Gamma. The R.H. Nagel Most Improved Chapter Award went to Minnesota Alpha; there was no honorable mention.

The Council made two Chapter Project Grants under the Greater Interest in Government Program and the inaugural three Chapter Project Grants under the MindSET Program. Two new modules were prepared for MindSET. The Headquarters staff gave 56 Secretary’s Commendations to chapters for the perfection of their reports to the Headquarters office in 2008-09 and 30 Chapter Project Awards for ingenuity and creativity in activities.

The 2010 Distinguished Alumnus Award will be presented at the Convention to Dr. Merl Baker, P.E., KY ‘75.

The 2010 National Outstanding Advisor was selected in May by a national committee of engineering deans: Drs. P.M. Gerhart, P.E., (chair), R.J. Marley, and C.B. Schrader. The recipient of a $1,000 cash award and an equal sum to be presented to his dean’s discretionary fund is Dr. Robert E. Elfinba, P.E., MA B ’65, DC Alpha Chief Advisor.

The 2010 TBI-McDonald Mentor was selected in June by a committee of three District Directors. The recipient of a $1,000 cash award with an equal sum to be presented to the Mississippi Alpha Chapter is Dr. Donna S. Reese, MS A ’79.

During the year, the Executive Council gave seven Resolutions of Appreciation, one Superior Service Award, and six Distinguished Service Awards to collegiate chapter advisors and national officials for long and outstanding service.
LAUREATES
A selection committee of three District Directors chose five Laureates from 14 nominees. [See page 21.]

SCHOLARSHIPS/GRANTS
The 12th group of 102 TBP Scholarships, who will complete their undergraduate engineering studies in 2010-11, was announced in the Summer BENT. Each Scholar receives a cash grant of $2,000. Since the program began in 1999, Tau Beta Pi has given and committed $1,916,000 to 960 students. The one-time Richard H. Stanley Distinguished Alumnus and the inaugural George P. Mitchell, TX '40, and M.R. Lindeburg Scholarships were awarded.

In the TBP Chapter Performance Scholarship Program, $8,500 was made available to students to be selected by 17 chapters.

Six $1,000 grants for the first year of college study in 2010-11 for incoming freshman engineering students were provided by the Society (for a 12-year total of 77) through the national program conducted by the Society of Automotive Engineers. No Special Assistance Grant was made.

CONTRIBUTIONS FROM ALUMNI
Tau Beta Pi's 2009 Annual Giving Campaign brought gifts of $805,483 (down 6%) from 12,157 donors (down 3%), including 513 new donors (down 13%). Their names were published in the Winter and Spring 2010 issues of THE BENT. Included in the total is $19,288 allocated to the Fellowship and Scholarship Programs from 219 companies that match gifts from employees. The 2010 Giving Program began in February, and the response by July 31 reached $568,000 from 8,020 loyal members.

The Society uses minimal professional assistance in the conduct of this extremely efficient program; the national officers are deeply grateful to the generous alumni whose gifts fund important programs that help our chapters and student members.

President Simonson and others visited with alumni at receptions in Pasadena, CA; San Diego, CA; Phoenix, AZ; Naples, FL; Louisville, KY; Detroit, MI; Dayton, OH; Knoxville, TN; Houston, TX; and Arlington, VA.

OTHER ACTIVITIES
Tau Beta Pi has maintained its affiliations with the American Association for the Advancement of Science and the Association of College Honor Societies and its association membership in the American Society for Engineering Education. The Executive Director is Tau Beta Pi's official representative to these organizations, although other officers of the Association occasionally attend their meetings.

The Society was included as an eligible organization on the 2010 Combined Federal Campaign national list. Tau Beta Pi operates its own web-based job board—The Best People—and made extensive improvements in adding other valuable benefits to members. The AlumnNet Program, an electronic mentoring service to foster student-alumnus interactions, has operated effectively since 2001 under Dr. Amy K. Forbes, Administrator. The Association was a contributing society to National Engineers Week 2010.

Tau Beta Pi has maintained its classification under Section 501(c)(3) of the U.S. Internal Revenue Code as a tax-exempt, charitable, and educational, non-private organization and is exempt from sales tax in 16 states. Collegiate chapters are separately classified under Section 501(c)(7) of the code, but Michigan Gamma is pursuing a classification change to Section 501(c)(4).

THE TREASURER'S REPORT

THE FINANCIAL CONDITION of TBP at the close of the fiscal year was improved because of two large bequests, generous giving by alumni, and substantial investment capital gains. Revenue over expense was $2,381,000. Assets grew in 2009-10 by $2,140,000 to a total of $19,058,000.

FINANCIAL POSITION STATEMENT
The several named trust funds are commingled and invested under the jurisdiction of the TBP Trust Advisory Committee. The trustee is the trust department of the PNC Bank in Cleveland, OH. The trustee performed satisfactorily during the year.

Investment earnings of the funds, less trustee fees and including capital gains, are used for the purposes indicated by the fund titles: paying fellowship and scholarship stipends, paying for BENT magazines delivered to life subscribers, paying project grants to winners in the MIndSET and Greater Interest in Government Programs, helping to support the Convention, and financing many useful activities of the collegiate chapters. Overall net earnings of the investments, including security sales and market losses, were 14%; the previous year's figure is -17.7%. Paid investment earnings were $265,000; net investment market gains were $1,947,000.

Securities held by the trustee on July 31, 2010, are carried at market value of $17,467,000, an increase of 10.6% from the previous year, and comprise holdings in 11 non-overlapping, no-load mutual funds. Equity securities constituted 90% of the total trust funds.

The current liability in fellowships and scholarships is for those stipends committed in 2009-10 for payment in 2010-11 to student winners. The 2010 Convention liability includes the assessments paid by new initiates during the year and $20,000 in gifts from corporate and university sponsors. The deferred BENT subscription liability is for both annual subscriptions and the four-year subscriptions for new members included in the national initiation fee. The liability for delivering future magazines under four-year subscriptions is entered on the books at the time of initiation.

The decrease in BENT life subscription liability was countered by the 381 new life subscribers. Life subscription fees are recorded as a liability because of the commitment against the annual earnings of those fees to pay for copies of THE BENT to be delivered. This liability represents the total value of all life subscriptions in force on July 31, 2010, at their enrollment-fee prices, less an actuarial proportion of $1,209,156 recognized as revenue since 2004. Upon the deaths of life subscribers, their paid fees are transferred on the books to the Fellowship Fund and are reported as revenue.

The net assets of the Association increased by $2,381,000 because of increased contributions from alumni and trust investment gains of $1,947,000. A subsidiary report details the changes during the year in individual funds, most of which increased because of the loss in market value.

The L.E. Record Scholarship Fund grew by $437,000, Vincent A. Stabile Scholarship Fund by $338,000, the Convention Fund by $221,000, the Fellowship Fund by $118,000, and THE BENT Life Subscription Fund balance by $57,000, but the Engineering Futures Fund fell by $26,000, and the Program Development Fund declined by $80,000 to pay District Program expenses. A new Charles O. Forge Fellowship Fund and Charles O. Forge Scholarship Fund were established after a generous bequest, with spending priority for student members of the California Gamma Chapter.
STATEMENT OF ACTIVITIES

Chapter and initiation fees (shown less the BENT subscription portion) were up by $18,000.

Convention revenue consists of assessments for the 2009 Convention, $53,750 in industrial gifts, and $71,211 in assessments for the 2009 Convention, $53,750 in industrial gifts, and $71,211 in assessments for the 2009 Convention. The Association is deeply grateful to the 12,156 members who contributed during the year.

BENT publication revenue fell by $41,000 aided by the eighth-highest total of recruitment advertising; expenses fell by $62,000. Total investment earnings and market gains on the Life Subscription Fund grew by $1,058,000. In 2009-10, the net gain on investments was $1,947,000, reflecting reported changes in market value.

The 10 major chapter programs (the first 10 under Expenses) usually show an operating loss. Convention expenses dropped by $70,000 and include the cost of attendance by one student delegate from each collegiate chapter, alternate delegates, alumnus delegates, chapter advisors, and visitors—but not by national officers.

Expenses for fellowships and scholarships fell by $282,000 because fewer scholarships were given. (Revenue for these awards includes all matching gifts from corporations and alumnus contributions specifically earmarked by donors.) Since the Fellowship Program was inaugurated in 1929, TBP has given and committed $5,140,395 in stipends to 928 Fellows and $1,915,000 to 960 young Scholars. Fellowships and scholarships comprise the major philanthropic program of the Society—made possible by gifts from alumni, friends, and cooperating industrial firms.

INITIATION FEES

Tau Beta Pi's low national initiation fee covers the cost of the official badge, membership certificate, copies of the Constitution and Bylaws and Information booklets, and a four-year subscription to THE BENT. The national fee has been $32 since August 1, 2004. In addition, new members were charged an assessment of $7 for partial support of the annual Convention.

STUDENT LOANS

Only three new loans were made to members in 2009-10 for a total of $7,500. None was for the amount of TBP's initiation fee. Three loans were repaid, and two were written off during the year, leaving 10 outstanding on July 31, 2010, with a principal balance of $23,300. Since inauguration in 1932 of the program, 1,777 loans have been made to student members for a total exceeding $850,000.
THE TAU BETA PI ASSOCIATION

STATEMENT OF ACTIVITIES

For the years ended July 31, 2009 and 2010
(With summarized financial information for the year ended July 31, 2009)

REVENUE

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initiation and chapter fees and fines</td>
<td>$209,635</td>
<td>209,635</td>
<td>191,890</td>
</tr>
<tr>
<td>Chapter and individual sales</td>
<td>114,901</td>
<td>114,901</td>
<td>108,107</td>
</tr>
<tr>
<td>Contributions and bequests</td>
<td>1,703,083</td>
<td>202,086</td>
<td>0</td>
</tr>
<tr>
<td>Convention</td>
<td>181,598</td>
<td>181,598</td>
<td>163,216</td>
</tr>
<tr>
<td>THE BENT publication</td>
<td>206,208</td>
<td>206,208</td>
<td>277,127</td>
</tr>
<tr>
<td>Net life subscription fee transfer</td>
<td>16,246</td>
<td>16,246</td>
<td>54,637</td>
</tr>
<tr>
<td>Student loan interest</td>
<td>1,171</td>
<td>1,171</td>
<td>1,423</td>
</tr>
<tr>
<td>Miscellaneous/Net gain on equipment sales</td>
<td>31,790</td>
<td>31,790</td>
<td>30,940</td>
</tr>
<tr>
<td>Interest and dividends</td>
<td>131,688</td>
<td>221,264</td>
<td>564,147</td>
</tr>
<tr>
<td>Net gain (loss) on investments</td>
<td>967,857</td>
<td>980,062</td>
<td>(4,033,908)</td>
</tr>
<tr>
<td>Change in value of split-interest agreements</td>
<td>8,377</td>
<td>8,377</td>
<td>44,882</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>620,425</td>
<td>(620,425)</td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td>4,214,602</td>
<td>782,987</td>
<td>8,377</td>
</tr>
</tbody>
</table>

EXPENSE

Program services:

<table>
<thead>
<tr>
<th>Service</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chapter and initiate supplies</td>
<td>252,975</td>
<td>263,350</td>
</tr>
<tr>
<td>Cost of chapter and individual sales</td>
<td>103,526</td>
<td>97,066</td>
</tr>
<tr>
<td>Convention</td>
<td>467,243</td>
<td>537,244</td>
</tr>
<tr>
<td>Advisor Program</td>
<td>14,600</td>
<td>18,845</td>
</tr>
<tr>
<td>Alumnus Program</td>
<td>43,311</td>
<td>37,275</td>
</tr>
<tr>
<td>BENT publication</td>
<td>456,233</td>
<td>568,147</td>
</tr>
<tr>
<td>BULLETIN publication</td>
<td>16,572</td>
<td>26,873</td>
</tr>
<tr>
<td>District Program</td>
<td>220,183</td>
<td>277,523</td>
</tr>
<tr>
<td>Engineering Futures Program</td>
<td>133,178</td>
<td>148,890</td>
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<tr>
<td>Fellowship &amp; Scholarship Program</td>
<td>442,884</td>
<td>724,995</td>
</tr>
<tr>
<td>Greater Interest in Government Program</td>
<td>5,912</td>
<td>4,355</td>
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<tr>
<td>K-12 MindsSET Program</td>
<td>50,026</td>
<td>20,604</td>
</tr>
<tr>
<td>Laureate Program</td>
<td>19,641</td>
<td>17,224</td>
</tr>
<tr>
<td>McDonald Mentor Program</td>
<td>5,577</td>
<td>5,773</td>
</tr>
<tr>
<td>Student Assistance Program</td>
<td>1,785</td>
<td>1,710</td>
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<tr>
<td>Student Loan Program</td>
<td>11,230</td>
<td>11,137</td>
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<tr>
<td><strong>TOTAL EXPENSE</strong></td>
<td>2,624,320</td>
<td>3,073,389</td>
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</table>

CHANGE IN NET ASSETS

<table>
<thead>
<tr>
<th>Category</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net assets, beginning of year</td>
<td>5,122,385</td>
<td>4,355,171</td>
</tr>
<tr>
<td></td>
<td>1,905,169</td>
<td>901,158</td>
</tr>
<tr>
<td>Net assets, end of year</td>
<td>6,712,667</td>
<td>782,987</td>
</tr>
</tbody>
</table>

Financial statements have been audited.

ing $277,418 have been transferred to the Fellowship Fund in accord with the Constitutional requirement.

An average of 202 copies per issue in 2009-10 was delivered to annual renewal subscribers, 31,590 copies to original four-year subscribers, and 64,162 copies to life subscribers, for a total of 95,954 paid copies per issue. The total number of paid copies for the Summer 2010 magazine was 96,522.

The BENT carries articles on general professional topics in engineering, news about Tau Beta Pi and its members and chapters, and regular departments. The Association is indebted to the alumni who serve as judges and writers of the Brain Ticklers column: H.G. McIlvried III (chair), D.A. Dechman, J.L. Bradshaw, and F.J. Tydeman.

Publication of THE BENT is a major activity of the Headquarters staff. By Bylaw provision, the Secretary-Treasurer of the Association serves as editor.

THE BULLETIN

During 2009-10, the three issues contained a total of 23 pages, and no copies were printed. All issues are available on the website. Published weekly for the information of the student members and the advisors of the collegiate chapters, the newsletter is a valuable means of exchanging project ideas and distributing information and instructions on chapter operations. The Executive Director serves as editor of THE BULLETIN.

WEBSITE AND OTHER PUBLICATIONS

A new edition of the Constitution and Bylaws and Eligibility Code was published in May. The Information Book 2010 was published in October.

Other descriptive brochures and promotional materials were updated and reprinted during the year for chapter use.

The website received improvements throughout the year and more than 3,800,000 visits. It contains much interesting operational and historical information at tbp.org.

—James D. Froula, P.E.  
Executive Director  
Secretary-Treasurer and Editor