Executive Director’s Report

SECRETARY’S REPORT

OVERALL, the year 2013-14 exceeded expectations in nearly every respect, and the gain on investments in the trust returned to the black. Support by alumni through volunteer efforts and annual contributions was excellent, while corporate and university financial support of the Convention and The Bent remained high. The first ever Tau Beta Pi Day was held on March 14. Over 60 chapters held events in conjunction with the celebration; members purchased hundreds of Pi Day t-shirts and other image items to mark the inaugural occasion. Alumni interest in maintaining a relationship or reconnecting with the Association continued to increase with over 700 members attending 41 alumni events.

CHAPTERS

The 2013 Convention granted a charter to the University of Texas-Pan American, formally established as Texas Nu on March 22, 2014. An article about the installation appears on page 53 of this issue.

Inspection committees visited Embry-Riddle Aeronautical University, Prescott and Indiana University-Purdue University Indianapolis last fall, and petitions from these schools will be considered by the 2014 Convention. No petitions for new chapters were received.

Five alumni chapters were chartered: Central Texas (Austin/San Antonio), Greater New Orleans, Pikes Peak (Colorado Springs), Rocket City (Huntsville, AL), and Tucson. Three chapters were reactivated: Central Illinois, Dayton, and Phoenix. No chapters went inactive; 39 of 70 alumni chapters are active.

A total of 234 chapters (223 in 2013) completed annual surveys that listed approximately 1,641 projects. A report on the contents of the survey will be published in the November 2014 issue of The Bulletin.

MEMBERSHIP

The chapters initiated 9,197 members in 2013-14, down 0.1% and the third highest total in 18 years. This included 8,780 undergraduates, 305 graduate students, 52 alumni, and 60 eminent engineers. Tau Beta Pi’s initiated membership on July 31, 2014, was 554,031, and an estimated 60,000 are deceased.

During the year, about 39,500 engineering students in the 242 TBP chapter schools were scholastically eligible for membership in the top fifth of their senior or the top eighth of their junior classes. About 36.2% of these were members of TBP at the close of the year—down slightly from last year. About 2.8% were not initiated, chiefly because of their chapters’ failure to hold spring ceremonies. The remaining 61% indicated a lack of interest in membership, up from 60% last year.

Tau Beta Pi chapter schools graduate about 92% of all B.S. engineers at 397 schools with ABET EAC-accredited programs and the other two schools without EAC-accreditation.

Twenty-nine chapters held only one election and initiation of new members, but all others held two or more. Three chapters held initiations without approval. No members resigned during the year, and none was expelled.

CONVENTION

The 108th Convention was held October 31 to November 2, 2013, in Ames with Iowa Alpha as host. The meeting was fully reported in the Winter 2014 issue of The Bent and the December 2013 issue of The Bulletin. The 2014 Convention will be hosted by the Washington Delta Chapter in Spokane. The 2015 Convention will be hosted by Massachusetts Alpha, Delta, and Epsilon and Rhode Island Alpha and Beta in Providence, RI.

The 2013 Convention: approved four amendments to the Constitution and Bylaws of the Association, which were ratified by the chapters and reported in the Winter 2013 issue of The Bent; increased the mileage reimbursement to $0.30 per mile and the stopover lodging allowance to $60 for the 2014 Convention; increased the initiation fee to $45 effective August 1, 2014; made recommendations regarding the Association’s website; adjusted the process for selecting future Convention sites; reviewed the image of the Association and insignia items and made recommendations to improve each; adopted a three-year trial process to increase the number of Convention bids; recommended a committee to study possible publishing options for The Bent; granted two curriculum appeals; approved four changes to the initiation ritual; and elected the Elevate Executive Council slate.
ASSOCIATION OFFICIALS

The Elevate Slate of Council candidates was elected by the 2013 Convention and will serve the 2014-18 term. It will be formally installed on October 4 and has already identified its officers: President J.P. Blackford, Vice President N. Ph., and Councillors S.L.R. Holl, G.J. Morales, and A.J. Passman.

Tau Beta Pi has four appointed Directors with responsibilities in major areas of its interest: E.J. D’Avignon as Director of Rituals, T.E. Gomulinski as Director of Alumni Affairs, R.W. Pierce as Director of Engineering Futures, and D.S. Pierre Jr. as Director of Fellowships. Members of the Fellowship Board include C.W. Caldwell, D.W. Donahue, R.E. Efimba, and S.L.R. Holl. The Trust Advisory Committee, which directs investment activities of the corporate trustee, includes R.F. Smith (chair), H.W. Lange, and J.W. Johnson Jr.

District Directors on July 31 were:

District 1 Selden J. Houghton
     Matthew V. Paragano
     Lauren J. Swett

District 2 Anthony M. Olenik
     Thomas A. Pinkham IV
     Jason Ragan
     George Yousuf

District 3 Christopher C. McComb
     Alexander J. Rovnan

District 4 Edward P. Gorzkowski III
     Russell L. Werneth

District 5 Josuan Hilerio-Sanchez
     Rebecca A. Holcomb
     Elizabeth A. Stephen

District 6 Andrea M. Ramsey
     Dee Anne Stirm
     Ellen S. Styles

District 7 Andrew J. Flowerday
     Wesley R. Repke

District 8 Bruce A. Devantier
     Stacey L. Forkner
     Ricardo K. Koma

District 9 Brenda A. Kramer
     Will D. Lindquist

District 10 Brian R. Buisson
     Daniel A. Kamat

District 11 Christina M. Harrison
     James C. Hill

District 12 Christopher F. Benson
     George K. Miyata
     Gregory M. Newcomb

District 13 Jeffrey G. Dahling
     Matthew T. Pittard

District 14 Sharon L. DeChenne


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

CHAPTER AWARDS
Tau Beta Pi’s top chapter prize, the R.C. Matthews Outstanding Chapter Award, was given to Kentucky Alpha for the excellence of its total program in 2013-14. Honorable mentions went to Alabama Epsilon and Ohio Iota. The R.H. Nagel Most Improved Chapter Award also went to Kentucky Alpha; an honorable mention was given to Florida Epsilon. To finish their sweep, the J.D. Froula Most Improved Membership Award also went to Kentucky Alpha. This was the first time that a chapter won more than one of the highest awards presented to a collegiate chapter.

The Headquarters staff gave 26 Secretary’s Commendations to chapters for the perfection of their reports to TBP in 2012-13, 27 Chapter Project Awards for ingenuity and creativity in activities, and 62 Membership Awards for increasing the number of students initiated into TBP.

MEMBER AWARDS
The 2014 Outstanding Advisor was selected by a committee of engineering deans: J.W. Steadman, Ph.D., P.E. (chair), A.J. Moll, Ph.D., and S. Schreiner, Ph.D., P.E. The recipient of a $1,000 cash award and an equal sum to be presented to his dean’s discretionary fund is Marvin E. Criswell, Ph.D., P.E., NE A ‘65, Colorado Delta Advisor. [See page 11.]

The alumnus recognition selection committee consists of three District Directors: M.T. Pittard (chair), S.L. Forkner, and S.L.R. Swett. They were charged with selecting the recipients of the TBP-McDonald Mentor Award and the Distinguished Alumnus Award. The 2014 Distinguished Alumnus Awards will be presented to Delon Hampton, Ph.D., P.E., ‘51; Asad M. Madni, Ph.D., ‘69; and Col. Gary E. Payton, USAF Ret., ‘74. The 2014 TBP-McDonald Mentor will be presented to Brendan J. O’Toole, Ph.D., ‘14.

The 2014 Laureates were selected by a committee of three District Directors: B.A. Devantier (chair), E.S. Styles, and S.H. Ross. They chose five Laureates from 22 nominees made by 21 chapters. The 2014 Laureates are Bingxuan D. Chu, ‘14; Christopher M. Douglas, ‘14; Lisa N. Garrett, ‘14; Erika M. Pliner, ‘14; and Tonya J. Whitehead, ‘15. [See pages 12, 14-15.]

During the year, the Executive Council gave 18 Resolutions of Appreciation, 12 Superior Service Awards, 7 Distinguished Service Awards, and 3 Outstanding Service Awards to collegiate chapter advisors and Association Officials for long and outstanding service.

DISTRICT PROGRAM
Sixteen districts held at least one conference last year and conducted meetings during the 2013 Convention, and directors visited many chapters during the year. The directors and the Council met in Washington, DC, in June 2014 and discussed means for improving regional activities and communications and planning for the upcoming year.

ENGINEERING FUTURES
The Engineering Futures Program presented a total of 233 training sessions by 38 volunteer facilitators to develop the leadership skills of student members during 2013-14. This award-winning program helps to prepare engineering students for their careers by enhancing their overall personal effectiveness through interpersonal-skills and teamwork-development seminars.

FELLOWSHIPS
The 81st fellowship group, comprising 25 students with stipend, will do graduate work in 2014-15 and was announced in the Summer 2014 Bent.
Fellows with stipends are paid cash grants of $10,000 each.

GRANTS
No proposals were received for a Greater Interest in Government (GIG) grant. No requests were received for a Student Assistance grant.

MINDSET PROGRAM
The MindSET program continues to expand its reach across the country. Over 30 TBP chapters are hosting hands-on activity sessions with local schools. At the close of the fiscal year, more than 3,500 elementary, middle, and high school students had participated in MindSET activity sessions. In 2013-14, 25 grants totaling $7,245 were issued to 12 chapters for MindSET projects.

SCHOLARSHIPS
The 16th group of 242 TBP Scholars, who will complete their undergraduate engineering studies in 2014-15, are announced in this issue. [See page 28.] All Scholars receive a cash grant of $1,000 or $2,000 for their senior academic year. Since the program began in 1999, Tau Beta Pi has given and committed $8,630,000 in scholarships to students who will complete their undergraduate engineering studies in 2014-15, are an- nounced in this issue.

In the TBP Chapter Performance Scholarship Program, $6,600 in scholarships were available to students selected by 12 chapters.

Six $1,000 scholarships for the first year of college study in 2014-15 for incoming freshman engineering students were provided by the Society of Automotive Engineers. The Society was included as an eligible organization in the national program conducted by the Society of Automotive Engineers.

CONTRIBUTIONS FROM ALUMNI
Tau Beta Pi’s 2013 Annual Giving Campaign brought gifts of $1,010,000 (up 6.2%) from 11,102 donors (down 2.5%), including 559 new donors (up 46.3%). Their names were published in the Summer and Fall 2013 and Winter and Spring 2014 issues of The Bent. Included in the total is $50,916 allocated to the Fellowship and Scholarship Programs from 249 companies that match gifts from employees. The 2014 giving program began on February 1, and the response by July 31 reached $638,788 from 6,526 loyal members.

The Society was included as an eligible organization in the 2014 national Combined Federal Campaign.

The Association Officials are deeply grateful to the generous alumni whose gifts fund important programs that help our chapters and student members.

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.

Tau Beta Pi operates its own web-based job board—The Best People—and maintains other valuable benefits for members. Over 1,900 jobs were available through The Best People on July 31.

The Association was a contributing society to National Engineers Week 2014.

Members of the Executive Council, Executive Director Gomulinski, and other Association Officials met with alumni at receptions and gatherings at 16 District Conferences and 25 other events held across the country.

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 and excise taxes in 16 states. Collegiate chapters are separately classified under Section 501(c)(7) of the code, except Michigan Gamma, which is classified under Section 501(c)(4).

The financial condition of TBP at the close of the fiscal year was improved because of record giving by alumni and substantial investment capital gains. Revenue over expenses was $1,770,000. Assets increased in 2013-14 by $1,799,000 to a total of $25,546,000.

FINANCIAL POSITION STATEMENT
The several named trust funds are commingled and invested under the trust department of the PNC Bank in Cincinnati, Ohio. 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 chapters in the MindSET and Greater Interest in Government Programs, supporting the Convention, and financing many useful activities of the collegiate chapters. Overall, net earnings of the investments, including security sales and market gains, were 14%; the previous year’s figure was 20%. Paid investment earnings were $955,000; net investment market gains were $2,124,000.

Securities held by the trustee on July 31, 2014, are carried at market value of $24,056,000, an increase of 8.2% from the previous year, and comprise holdings in 15 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 2013-14 for payment in 2014-15 to student recipients. The 2014 Convention liability includes the assessments paid by new initiates during the year and $33,900 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 Association 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 222 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, 2014, at their enrollment-fee prices, less an actuarial proportion of $1,276,000 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 $1,770,000 because of trust investment gains of $2,123,000. A subsidiary report details the changes during the year in individual funds, most of which increased because of the gain in market value.

The L.E. Record Scholarship Fund grew by $457,000, Vincent A. Stabile Scholarship Fund by $416,000, the Fellowship Fund by $241,000, the Convention Fund by $129,000, The Bent Life Subscription Fund balance by $117,000. The District Program Fund fell by $172,000 and the MindSET fund by $6,000. The new Chapter Endowment Fund (renamed from the Delegate’s Support Fund) grew to over $100,000 due to the generosity of alumni supporters. Trust funds dedicated to scholarships and fellowships are at $16.8 million.
### STATEMENT OF ACTIVITIES

Chapter and initiation fees (shown less the Bent subscription) fell by $33,000 due to an increased allocation to support the four-year Bent subscriptions. Overall contributions and bequests fell by $78,000. Total gifts from alumni and matching corporations in the two annual giving programs in 2013-14 amounted to $1,020,000 (down 1% from the previous year's earnings of $0.91 per copy. Exceeding cost by $0.47, versus last year's gain of $1.54 per life copy delivered, resulting in a net gain on investments of $2,124,000, $130,000. In 2013-14, the invested fund decreased by $15,000 due to a decrease in recruitment advertising; expenses fell by $21,000 due to lower advertising and Headquarters expenses. Total investment earnings and market gain on the Life Subscription Fund decreased by $130,000. In 2013-14, the invested fund gained $1.54 per life copy delivered, compared with the previous year's loss of $2.04. Earnings per life copy exceeded cost by $0.47, versus last year's earnings of $0.91 per copy.

The 11 major chapter programs (denoted with a (C) in front of their name under Expense) usually show an operating loss. Convention expenses rose by $22,000 and include the cost of attendance by one student delegate from each collegiate chapter, alternate delegates, alumnius delegates, chapter advisors, and visitors—but not by Association Officials. Expenses for fellowships and scholarships rose by $39,000 because more scholarships were given. (Revenue for these awards includes all matching gifts from corporations and alumni contributions specifically earmarked by donors.) Since the Fellowship Program was inaugurated in 1929, TBI has given and committed $880,175. None were for the initiation fee. One loan was repaid, none were written off during the year, leaving 16 outstanding on July 31, 2014, with a principal balance of $28,500. Since inauguration in 1932 of the program, 1,803 loans have been made to student members for a total of $880,175.

### INITIATION FEES

Tau Beta Pi's low Association initiation fee covers the cost of the official badge, membership certificate, copies of the Constitution and Bylaws and Information Book, and a four-year subscription to The Bent. The initiation 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. The initiation fee (including Convention support) increased to $45 on August 1, 2014.

### STUDENT LOANS

Only four new loans were made to members in 2013-14 for a total of $7,800. None were for the initiation fee. One loan was repaid, none were written off during the year, leaving 16 outstanding on July 31, 2014, with a principal balance of $28,500. Since inauguration in 1932 of the program, 1,803 loans have been made to student members for a total of $880,175.

### EDITOR'S REPORT

The Bent during 2013-14, the four issues contained a total of 228 pages, and 355,000 copies of the magazine were available for paid subscribers. This is a 0.1% increase in paid copies above the previous year's circulation total. Engineering and graduate-school recruitment advertising for the year totaled 17.5 pages, a 3% increase from the previous year. Total production cost of the magazine per paid copy was $1.07, down from $1.13 the preceding year.

New Bent life subscribers added during the year numbered 222 (down...
THE TAU BETA PI ASSOCIATION

STATEMENT OF ACTIVITIES
For the years ended July 31, 2013 and 2014

REVENUE

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
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<tbody>
<tr>
<td>initiation and chapter fees and fines</td>
<td>$189,860</td>
<td></td>
<td>189,860</td>
</tr>
<tr>
<td>Chapter and individual sales</td>
<td>182,761</td>
<td></td>
<td>182,761</td>
</tr>
<tr>
<td>Contributions and bequests</td>
<td>1,032,415</td>
<td>3,070</td>
<td>57,010</td>
</tr>
<tr>
<td>Convention</td>
<td>185,374</td>
<td></td>
<td>185,374</td>
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<tr>
<td>The Bent publication</td>
<td>230,528</td>
<td></td>
<td>230,528</td>
</tr>
<tr>
<td>Net life subscription fee transfer</td>
<td>41,070</td>
<td></td>
<td>41,070</td>
</tr>
<tr>
<td>Student loan interest</td>
<td>1,312</td>
<td></td>
<td>1,312</td>
</tr>
<tr>
<td>Miscellaneous/Net gain on equipment sales</td>
<td>36,608</td>
<td></td>
<td>36,608</td>
</tr>
<tr>
<td>Interest and dividends</td>
<td>462,244</td>
<td>614,562</td>
<td>1,076,807</td>
</tr>
<tr>
<td>Net gain (loss) on investments</td>
<td>1,028,132</td>
<td>1,095,429</td>
<td>2,123,561</td>
</tr>
<tr>
<td>Change in value of split-interest agreements</td>
<td></td>
<td>18,624</td>
<td>18,624</td>
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<tr>
<td>Net assets released from restrictions</td>
<td>567,856</td>
<td>(567,856)</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL REVENUE</strong></td>
<td>3,958,160</td>
<td>1,145,206</td>
<td>75,634</td>
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EXPENSE

<table>
<thead>
<tr>
<th>Program services</th>
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<tbody>
<tr>
<td>(c) Advisor Program</td>
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<tr>
<td>(c) Alumni Program</td>
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<tr>
<td>(c) Bent publication</td>
</tr>
<tr>
<td>(c) Bulletin production</td>
</tr>
<tr>
<td>(c) Chapter and initiate supplies</td>
</tr>
<tr>
<td>(c) Convention</td>
</tr>
<tr>
<td>(c) Cost of chapter and individual sales</td>
</tr>
<tr>
<td>(c) District Program</td>
</tr>
<tr>
<td>(c) Engineering Futures Program</td>
</tr>
<tr>
<td>(c) Fellowship &amp; Scholarship Program</td>
</tr>
<tr>
<td>(c) Greater Interest in Government Program</td>
</tr>
<tr>
<td>(c) K-12 MindSET Program</td>
</tr>
<tr>
<td>(c) Laureate Program</td>
</tr>
<tr>
<td>(c) McDonald Mentor Program</td>
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<tr>
<td>(c) Student Assistance Program</td>
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<tr>
<td>Student Loan Program</td>
</tr>
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</table>

**Total program services** | 2,855,580 | 2,855,580 |

<table>
<thead>
<tr>
<th>General and administrative</th>
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</thead>
<tbody>
<tr>
<td>Alumni Giving Program</td>
</tr>
</tbody>
</table>

**Total expense** | 3,409,248 | 3,409,248 | 3,296,830 |

CHANGE IN NET ASSETS

<table>
<thead>
<tr>
<th>Net assets, beginning of year</th>
</tr>
</thead>
<tbody>
<tr>
<td>9,025,808</td>
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</table>

<table>
<thead>
<tr>
<th>Net assets, end of year</th>
</tr>
</thead>
<tbody>
<tr>
<td>9,574,720</td>
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</tbody>
</table>

Financial statements have been audited.

from 347), bringing total life subscriptions to 80,162. Of all the life subscribers enrolled since 1929 when the plan was instituted, 12,000 are deceased, and their fees totaling $351,000 have been transferred to the Fellowship Fund in accord with the Constitutional requirement.

An average of 119 copies per issue in 2013-14 was delivered to annual renewal subscribers, 36,249 copies to original four-year subscribers, and 62,536 copies to life subscribers, for a total of 98,904 paid copies per issue. The total number of paid copies for the Summer 2013 magazine was 99,011.

The Bent carries articles on general professional topics in engineering, news about TBI 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.C. Rasbold, and F.J. Tydeman.

THE BULLETIN

During 2013-14, the four issues contained a total of 45 pages, and no copies were printed. All issues are available on the website. Published chiefly 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.

OTHER COMMUNICATIONS

New editions of the Constitution and Bylaws and Eligibility Code and the Information Book were printed. Other brochures and materials were updated and reprinted throughout the year.

Tau Beta Pi's presence on social media continued to increase. Over 17,500 members are part of our LinkedIn group, 3,100 people “like” Tau Beta Pi on Facebook, and over 8,000 people read our blog with daily news last year. The website has received over 24.8 million visits since its creation, and it contains a wealth of operational and historical information about the Society. Visit tbp.org to find out the latest TBP news!