

Beta Theta Pi and Billhighway Partnership

Frequently Asked Questions

BACKGROUND

What has led Beta Theta Pi to address chapter accounting?

Prior to this year, the General Fraternity had taken the stance that chapters should pay their bills, and was generally hands-off because, for the most part, the IRS was hands-off as well. Over the past three years the non-profit governmental reporting environment has changed. The IRS began to require all chapters to file Form 990 in 2007 and has since added 100 IRS agents to provide higher levels of scrutiny to non-profit organizations. In 2012, chapters will be required to track payments to their vendors and file another IRS form (1099) for vendors who were paid over \$600.

Beta chapters are finding themselves receiving multiple letters from the IRS requesting information from up to five years ago. This increased level of IRS enforcing tax regulations has forced the General Fraternity to examine its approach to chapter accounting.

With chapters facing IRS inquiries, penalties, fines and increased reporting requirements, delegates to the 171st General Convention tasked the Fraternity's leadership to investigate a partnership with an online accounting service provider. The General Fraternity leadership began to research industry best practices for compliance; under the guidance of that research, we've partnered with Billhighway to provide our chapters with a service that is known as an industry standard, which will assist chapters in meeting Beta's new [Chapter Accounting Standards](#).

What are my options for complying with Beta's new [Chapter Accounting Standards](#)?

There are three options for chapter financial management and accounting:

1. Chapters partner with Billhighway, Beta's new, official web-based accounting service provider.
2. Chapters arrange for an accounting professional verification of finances.
3. Chapters self-report finances.

Why is there a new Partnership between Beta and Billhighway?

For the longest time, the General Fraternity's approach to chapter finances was simply "pay your bills and have a financial advisor." Since the US Government now mandates every non-profit group file a 990 tax return and will soon require 1099 filings, the entire landscape has changed for organizations like Beta Theta Pi. In order to help avoid the threat of audits at the local level and mitigate the risk of the loss of Beta's tax-exempt status, the Board of Trustees has now adopted a uniform set of [Chapter Accounting Standards](#). In addition, the General Fraternity is excited to partner with the leader in membership organization accounting solutions.

Who is Billhighway?

Billhighway is the leading provider of web-based financial solutions that help membership-based organizations operate more efficiently and enjoy improved financial health. The company's proprietary system creates a streamlined process for billing, collecting and tracking group finances. The result is a highly powerful and secure system that helps improve the efficiency of organizations of any size and type, including professional organizations, social clubs, athletic groups and Greek organizations. Since forming in 1999, the Michigan-based company has managed over \$4.2 billion in transactions.

Why Billhighway and not another financial services vendor?

During the research process, a team of volunteer advisors, undergrads and financial professionals met with several of the top financial service providers. After thorough examination and review, Beta selected Billhighway based off of three primary reasons:

- Most cost effective, fully featured financial solution
- Best integration and alignment with existing organization-wide policies, practices, and systems
- Simplest to use, which also provides a reduction in data entry

Is my chapter required to sign up with Billhighway?

We strongly recommend every chapter try out Billhighway for a couple of years. Although there is no current requirement for an existing chapter in good standing to join Billhighway, every chapter **must** select one of three compliance choices to comply with the Fraternity's new [Chapter Accounting Standards](#):

- **Join the Billhighway partnership**
- **Accounting Professional Verification** – An accounting professional is required to send the General Fraternity a letter stating the chapter meets the General Fraternity [Chapter Accounting Standards](#) and the chapter's 1099 and 990 filing.
- **Chapter Self-Reporting** – Annually, the chapter will provide their filed 990, filed 1099's and financial statements to the General Fraternity as proof of their compliance with the [Chapter Accounting Standards](#).

Each chapter will annually verify their compliance method online at my.betathetapi.org.

All re/colonization efforts by the General Fraternity will be automatically joined into the Billhighway partnership. Chapters who are financially delinquent to the General Fraternity for greater than 90 days will be required to join the Billhighway partnership.

Are house corporations required to use Billhighway?

House corporations are welcome to use Billhighway's financial management solution. However, the General Fraternity is not yet able roll-up house corporations 990's into one filing. Please contact the Administrative Office at 1-800-800-BETA (2382) or beta@betathetapi.org for more information.

BILLHIGHWAY BENEFITS

What's in it for me?

The best benefit of the entire system for a treasurer or financial advisor is the ability to no longer worry about tax filing at the end of the year. Billhighway has the ability to better protect those chapters who join the partnership as well as the General Fraternity from possible audits and loss of non-profit status. In addition, the General Fraternity will prepare a single 990 at no cost for all chapters who opt into the Billhighway partnership. Another great benefit is that the Billhighway system will be integrated with the General Fraternity's Online Reporting System. This means that you will only need to input information in one place, making overall chapter information management and financial billing processes unified.

How will this help my chapter?

- Improved collections of dues and fees — most Billhighway clients report a 98% collection rate.
- Up-to-the minute reporting on who has (or hasn't) paid their dues and fees without having to track payments using paper/spreadsheets or even going to the bank.
- Greatly reduced banking costs.
- Grow your chapter's money! Chapters already using Billhighway have seen their dues collections increase and their expenses decrease.
- Increased transparency and accountability protects your chapter against fraud and embezzlement.

How will this help my chapter officers?

- Less time spent billing members, collecting payments or tracking who owes your chapter money
- Never bounce a check — Billhighway balances your checkbook for you.
- No more reconciliation — cash in the bank will be in sync with the cash in your financials.
- Collections support for past due accounts.
- Billhighway tracks and organizes your annual budget automatically.
- Everyone is on the same page at the same time!
- Ongoing training through Billhighway's online webinars, manuals and customer service representatives.
- Officer transition is easy and consistent every single year. No more dramatic changes in the methods of accountancy since a new chapter treasurer is elected annually. Trips to the bank to change signature cards or random bank accounts to another person's name are also eliminated.
- Officers can make better decisions about chapter events because they know exactly how much money they have available at all times.
- Budgets, income statements, balance sheets and other reports are comprehensive yet simple and easy to read.

How will this help our members?

- Each member has their own personal account with secure login information.
- It's online and available for members 24/7. This means they can check balances and pay bills when it's convenient for them!
- Members (and their parents) now have more ways to pay. Members can pay by phone, mail or even securely online through eChecks, debit cards, credit cards or online autopay.
- Members will know exactly how much they owe and where their money goes.
- Add secondary email addresses to member accounts – great to keep parents in the loop!

How will this help our advisors?

Advising a chapter is now much easier! Billhighway is web-based, meaning they can log into their chapter's account from work or home, see a list of members who have past due bills and check the chapter's current balances. Everything is accurate, up-to-date and at their fingertips.

SELECTING AN OPTION

When can I get started with Billhighway?

You can get started now! Authorized chapter officers should contact betasupport@billhighway.com to sign-up and begin the process. Your specific Billhighway service representative will contact you with more details. Officers will work with Billhighway as they transition to the system for a June 1, 2011 start date when funds and access will be available in Billhighway.

The timeline for Billhighway implementation is as follows:

Timeline:	Implementation Items:	Entity:
January-February 2011	Scoping and Planning	Administrative Office
January-February 2011	Integration with My.BetaThetaPi.org	Administrative Office
March 2011	Webinar Info Session	Billhighway and Administrative Office
March-April 2011	Chapter Officer and Volunteer Training	Billhighway, Chapter Officers and Volunteers
June 1, 2011	Billhighway goes live!	Participating chapters
Ongoing	Training and assistance	Billhighway and Chapter Officers

What if we already use Billhighway?

You're a step ahead! Your current Billhighway system will be upgraded with new tools and features that are only available through our partnership. There are some steps you need to take to convert to the Billhighway Global system, so be sure to follow the implementation plan and schedule your drive-thru training.

How much does the Billhighway service cost?

Each chapter that participates will pay Billhighway a rate based on their individual usage volume measured in collected revenue. Obviously Billhighway is not offering its product for free. Typically the expense is more than paid for through increased collections. The goal is to offer the highest quality product for chapters to use at the lowest possible price. Because Beta's exclusive, negotiated rates are so low and confidential, Billhighway has requested that we not publish them online. Please contact Billhighway directly at 1-866-BillHWY (1-866-245-5499) or via their website (www.billhighway.com). You can also contact the Administrative Office at 1-800-800-BETA (2382) or beta@betathetapi.org for more information.

Can the General Fraternity see our financial information?

No. The General Fraternity will not look into your records unless you specifically grant permission. For tax-filing purposes, however, the Fraternity will incorporate summary and total data in order to prepare the group IRS Form 990 for all participating chapters.

What if we already use a financial services vendor?

Because of the new tax enforcement climate we live in, every chapter must comply with one of three options above to ensure that every chapter is reporting accurately.

Joining Billhighway is by far the simplest and most cost effective of the three choices. However, should you choose to use another financial services vendor, you are required to have an accounting professional submit documentation which would most likely cause additional charges. The third option is the most accounting intensive and is not recommended.

We've signed a contract with a CPA / accountant / other vendor and can't break it.

That's OK. Your chapter must still have the accounting professional send a letter to the General Fraternity stating the chapter meets the General Fraternity's [Chapter Accounting Standards](#). When your contract is up, we recommend you reconsider Beta's Billhighway option as it will most likely save the chapter time and money in the long-run.

Can Canadian Chapters join the Billhighway partnership?

Yes! Although Canadian chapters are not required to file a form 990 or 1099, they are still able to join and receive all of the same benefits. Should a Canadian chapter opt out of joining they are required to choose between the two remaining compliance options, however, there are slight changes in the requirements:

- **Accounting Professional Verification** – An accounting professional is required to send the General Fraternity a letter stating the chapter meets the General Fraternity's [Chapter Accounting Standards](#).
- **Chapter Self-Reporting** – Annually, the chapter will provide financial statements to the General Fraternity as proof of their compliance with the General Fraternity's [Chapter Accounting Standards](#).

What if we don't want to use the Billhighway partnership?

Should you elect to not join, you are required to choose from the two remaining compliance options:

- **Accounting Professional Verification** - An accounting professional is required to send the General Fraternity a letter stating the chapter meets the General Fraternity's [Chapter Accounting Standards](#) and the chapter's 1099 and 990 filing.
- **Chapter Self-Reporting** – Annually, the chapter will provide their filed 990, filed 1099's, and financial statements to the General Fraternity as proof of their compliance with the General Fraternity's [Chapter Accounting Standards](#).

How do I inform the General Fraternity of our chapter's compliance choice?

Annually, chapters choosing not to partner with Billhighway will select Accounting Professional Verification or Self-Reporting through an online report at my.betathetapi.org. This process is currently under development. More information and the online form will be available later this spring.

ADDITIONAL QUESTIONS

I want to talk to someone about this. Who do I call?

If you have questions about how to sign up for Billhighway, please contact them directly at 1-866-BillHWY (1-866-245-5499), via email at betasupport@billhighway.com or via their website (www.billhighway.com).

If you have any questions regarding Beta's involvement with Billhighway, please contact one of Beta's Business Operations team members (Bryan, Kye, Kathy, or Joe) at the Administrative Office at 1-800-800-BETA (2382).

What if my university manages our chapter finances/billing?

That is not a problem! Your university may be used to satisfy the accounting professional verification compliance option. Just have your university accounting professional submit a letter stating you comply with the Chapter Accounting Standards (CAS). You can also partner with Billhighway to manage your reporting. Deposits from a university are free to deposit into Billhighway. Get all the benefits of Billhighway with a reduced cost!

When must I notify the General Fraternity of my chapter's compliance method?

Chapters can begin implementing their selected option at any time. For reporting purposes, there will be an online form at my.betathetapi.org to submit your choice. We expect this form to be available by mid-march and chapter must submit their first selection by April 15, 2011. Selections will be made annually for each fiscal year.

What happens if we don't comply with the accounting standards?

It would be unfair to all members if, through neglect, certain chapters endangered the General Fraternity to unnecessary IRS scrutiny. Therefore, if a chapter does not comply with the accounting standards it could be subject to normal disciplinary action through the Fraternity's governance structure. This could ultimately include

mandatory participation with Billhighway if the chapter is unable to comply through other means. Remember, the chapter could also face significant government fines or audit for improper accounting practices.

Does Billhighway provide payroll services?

Yes – Billhighway has partnered with several payroll providers that integrate directly with Billhighway. Contact betasupport@billhighway.com for more information.