

# The Sig House

A Newsletter from the Board of Grand Trustees

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## Top 3 **Relationship Practices**

Sometimes the relationship between the active chapter and the house corporation becomes strained. Active chapter can view the house corporation as a man or a group of men who only come around to collect money or hassle about house maintenance. The house corporation can view active chapter as a bunch of kids often late with rent who trash the house. Both sides may have valid points, but the relationship does not need to be adversarial. Adopting the three following practices will help improve the relationship and result in both sides managing their housing responsibilities more efficiently.

- 1. Have Written Rental Agreements. There are two kinds of Rental Agreements:
- a. Rental Agreement between the active chapter and the house corporation to govern use of the common areas which excludes bedrooms.
- b. Rental Agreement between the house corporation and individual residents. The house corporation can authorize the Quaestor to collect rent from the individuals and pay the house corporation monthly rent, but having an Agreement with individuals permits the house corporation to deal directly with individuals should the Quaestor fail in his duties. There are sample Rental Agreements at www.TheSigHouse.org in Articles > Forms & Samples.
- Maintain Consistent **Communication.** Many problems between house corporations and active chapters result from poor communication. The following are some simple steps that will improve the communication between the two groups:

- a. Have the Consul and House Manager attend house corporation board meetings. This will allow both sides to air issues and promote better understanding.
- b. Have a house corporation representative conduct a presentation to every pledge class about the role of the house corporation and the specific obligation (minimum number of quarters/semesters) of active members to live in the chapter house. Have each pledge sign a written agreement to comply with the obligations once he becomes active.
- c. Have a house corporation officer attend at least one active chapter meeting per term to answer questions and update the chapter on the house corporation operations.
- d. Have the house corporation board meet with the new chapter officers soon after their election to review and sign a current Rental Agreement and to review house corporation goals and strategies.
- 3. Build Reserves & Transparency. Some house corporations do not disclose their financial statements to the active chapter because of concern that the chapter will not understand the corporation's need to build adequate reserves. Well-managed house corporations should collect market rent which, hopefully, exceeds current operating costs which allows an accumulation of reserves to pay for future repairs like painting, roofing, furniture, furnaces and on and on. It costs a great deal of money to keep the chapter house in good repair and every house corporation should have a schedule and funds to accomplish these major repairs.

Too many house corporations are not charging a market rental rate that help

**FALL 2012** WWW.THESIGHOUSE.ORG

provide the funds to build reserves. Instead, many cave to the relentless pressure from active chapter to have the lowest rent in the area thinking it will keep the brothers happy and the house full. This is a bankrupt strategy.

Maintaining a chapter house is an expensive proposition and the tenants usually wear it out much faster than other forms of rentals. It behooves the house corporation to run the chapter house like a successful business by anticipating this accelerated wear and tear and setting aside adequate money to deal with the inevitable consequences. Asking alums for donations is not the way to fill this need. Educating active chapter on how good businesses like the house corporation are run is basic leadership training. Be transparent with finances and the reason rent is set the way it is. Chapter house rent needs to be competitive with university and area housing alternatives, not the best deal in

Here are typical responsibilities:

#### **House Corporation**

Bank loan payments Preventive maintenance repairs Property and Liability Insurance Property taxes Reserves for future repairs Scholarship program Utilities

#### **Active Chapter**

Collecting and paying rent Minor repairs and cleaning Yard maintenance

Since the house corporation's job is ongoing and long term, it must take a leadership role in developing and communicating the Top Three Relationship Practices and integrating feedback from active chapter when appropriate. The Practices should be discussed every year with the new officers to maintain an effective team approach. IHSV

### **Emergency Action Plan**

An Emergency Action Plan (EAP) is a written document used to organize member actions during emergencies. Well developed emergency plans and proper member training so that every

brother understands his role and responsibilities will result in enhanced life safety and loss control with fewer and less severe injuries and less property damage during emergencies.

Putting together a comprehensive EAP that deals with those issues specific to your chapter house is not difficult. It involves describing how members will respond to emergencies, taking into account your specific layout and emergency systems.

Most chapters and house corporations find it beneficial to include a diverse group of brothers in this planning process and to allocate development tasks. The commitment and support of all brothers is critical to the plan's success.

At a minimum, the plan should include the following elements:

- Means of reporting fires and other emergencies (like monitored fire alarm system, phone, etc.)
- Evacuation procedures and emergency escape routes.
- Procedures to account for all residents and guests after an emergency evacuation has been completed.
- Names and titles of brothers who can be contacted for further information or explanation.

Also, you may find it helpful to include the following in your plan:

- A description of the alarm system in use at the location. How does it respond to smoke, heat, fumes, etc.? The alarms used might include horn blasts, sirens or even public address systems.
- The site of an alternative meeting location outside the chapter house
- A secure location to store records, legal documents, member contact list and other essential records.

Means of reporting fires and other emergencies. Preferred procedures for reporting emergencies include dialing 911, campus safety, an internal emergency number or pulling a manual fire alarm.

Evacuation procedures and emergency escape route assignments.

An evacuation policy should include procedures and escape route assignments so brothers understand who is authorized to order an evacuation, under what conditions an evacuation would be necessary, how to evacuate, and what routes to take. Exit diagrams should be used to identify the escape routes to be followed by brothers and guests from each room in the house.

Evacuation procedures should also include any actions brothers should take such as shutting windows, turning off equipment, and closing doors behind them.

Sometimes a critical decision may need to be made. For example, should brothers self-help by fighting a small fire with a portable fire extinguisher or simply evacuate? Be sure procedures and instructions are clearly stated and understood.

Procedures to account for residents and guests after an evacuation should include a predetermined meeting place, a phone tree and a roll call list. Identify and list the names, titles, and contact information for key persons in the event of an emergency (like chapter officers, key house corporation members, chapter advisor, Grand Praetor, Grand Trustee, Risk Management Foundation, Sigma Chi Headquarters staff and university officials.

Developing an Emergency Action Plan is a high priority exercise for every chapter house. It should be reviewed every year to acquaint the brothers with the procedures so they are ready to react to it if necessary. IHSV

# Going to Pot

As if dealing with the negative effects of alcohol abuse wasn't difficult enough, a number of states have recently legalized the sale and distribution of marijuana. Pot has been a frequent guest at chapter houses for over 50 years. Now, states like Washington and Colorado have passed legislation that legitimizes its use. Like alcohol, using marijuana in such states is subject to age restrictions (only 21 years of age and older). And curiously, the state laws fly in the face of federal law which states that distribution and use of marijuana is

illegal. How these two opposing views will reconcile is yet to be known. But the question how do house corporations in marijuana friendly states deal with the issue is here and now.

Sigma Chi has a policy on drugs and alcohol which states:

"The illegal use, illegal possession, illegal sale or illegal distribution of any controlled substance or alcoholic beverage at a chapter house or during a Fraternity function is prohibited.

Accordingly, the following shall apply throughout the Fraternity in connection with any Fraternity related or sponsored activity, at all levels of membership, and specifically in all undergraduate chapter operations, programs, events and activities. These policy provisions represent minimal requirements to be observed throughout the Sigma Chi Fraternity. Such further requirements or stricter limitations that exist or may be necessary in any particular jurisdiction shall be observed, and nothing in this policy shall be interpreted in any manner that would undermine compliance with any more restrictive regulation, rule or policy applicable in any such jurisdiction.'

In 1996, the Supreme Court ruled that the government can seize property used to commit a crime, even if the owner was innocent of any wrongdoing. A defendant need not be charged with a crime to lose property. "Property forfeiture", as it called, gives drug enforcement authorities the right to confiscate anything believed to be involved in illegal activity including houses, boats, cars, planes, telephones, office equipment, etc.

So what stand should house corporations take on the marijuana issue? Since the vast majority of active brother residents are under the age of 21, it is recommended that use of substances that are illegal under federal law remain illegal under whatever rental agreement a house corp has with its tenants. Your university will likely have policy that reinforces this position. It's also likely that state and federal laws on this issue will be reconciled at some point for better guidance but, for now, take a conservative approach. IHSV

# **House Corporation Resource Directory**

#### ARCHITECTURAL & PLANNING SERVICES Aynesworth Architects & Consultants 512.328.2272

G. Tim Aynesworth tim@aynesworth.com PO Box 161434, Austin TX 78716 www.aynesworth.com Architectural design and construction management. Texas Registered Architect, Certified by National Council of Architectural Registration Board.

Hug & Associates, LLC 678.297.2929

Mike Hug mhug@HugArchitects.com 3010 Royal Boulevard South, Suite 250

Alpharetta GA 30022 www.HugArchitects.com Specializing in the design and renovation of fraternity

Reid Studio Architecture LLC 217.390.7403

Rod Reid rod.reid@comcast.net

Chapter house renovation and construction design; collects data, analyzes project requirements, develops cost estimates; assists locating design and construction team members.

#### **CHAPTER HOUSING DEVELOPMENT**

619.297.0400 Pierce Education Properties, L.P. Matt Maruccia, VP for Acquisitions

www.PierceEducationProperties.com

National developers, buyers, owners and operators of student housing with specific expertise in Greek Housing acquisition, disposition, development, finance, etc.

#### **CHAPTER HOUSE FINANCING**

Constantine Capital, Inc. 816.300.0604 Tom Burton tom.burton@abrealty.com **Bob Schock** robert.schock.zo@sigmachi.com Affordable financing options to Sigma corporations for chapter house purchase, life & safety upgrades, new construction, renovation and loan guaranty

#### **CHAPTER HOUSE RENOVATION & DESIGN**

LAUNCH Interior Design

916.660.9856 C 916.769.2464

David Leinberger launch@starstream.net www.launchinteriordesign.com New construction and renovation for cost effective and efficient design selections including paint colors, furniture, lighting, window & floor coverings and more.

#### FINANCIAL & DATABASE MANAGEMENT

GreekBill, Inc. www.greekbill.com 800.457.3816 Web-based billing and financial management service enables billing, collecting, budgeting, reporting, online payment options

www.omegafi.com Chapter and alumni management tools to bill and collect dues and rent, manage rosters and records, pay bills and employees and file tax returns.

#### FOOD SERVICES

Campus Cooks 847.309.1859

William Reeder wreeder@campuscooks.com Comprehensive program includes an on-site cook who preparesmeals and snacks plus management of staffing, payroll, food and supply ordering, menu preparation. www.campuscooks.com

#### **Culinary Consultants Purchasing Services**

Stan Faulkner Support@infoccps.com 314.422.3407 Brian Heider www.infoccps.com 847.566.7533 National buying program exclusively for fraternity chapters with food programs. Instant cost savings with no major changes to existing food program.

**Greek Kitchen Management** 623.565.8289 Justin Rolnick info@greekkitchenmanagement.com

www.greekkitchenmanagement.com

Kitchen management program: staffing, ordering and food preparation. Cleaning products: cleaning chemicals, supplies & paper goods

#### **FLOORING**

The Carpet Company

541.484.5373 C 541.517.8820

785.843.1661

daryle@thecarpetcompany.biz www.thecarpetcompany.biz All major brands of commercial and residential flooring.

#### **FUNDRAISING ASSISTANCE**

Grand Trustee Bruce Morgan Casner 202.543.4600 bruce.morgan.casner@sigmachi.com

Options on qualifying for tax deductible donations.

Pennington & Associates

Patrick Alderdice palderdice@penningtonco.com

Capital campaign coordination, gift management, alumni relations programs, website development

The Laurus Group 770.903.3987 Mary Barlow C 678.848.8987

mbarlow@thelaurusgroup.net www.thelaurusgroup.net Fundraising consulting specializing in capital campaigns, gift management, alumni communications, annual funds

#### **HOUSE DIRECTOR SEARCH & SCREENING**

**Greek House Resource** 

512.836.7176

greekhs@gmail.com www.greekhouse.net Screen, interview and placement for chapter house directors.

#### **INCORPORATION ASSISTANCE**

**Grand Trustee Harvey Silverman** 703.319.8806 harveyas@aol.com

Do you provide a product or service for Sigma Chi Fraternity chapter houses? Get listed in The Sig House Resource Directory! Email rich.thompson@sigmachi.com IHSV

#### Here to Serve

The Board of Grand Trustees is available to assist house corporations in a myriad of ways. The eighteen Grand Trustees have over 700 years of *combined professional expertise* in areas like property management, project administration, politics, maintenance, renovation, insurance, tax planning, accounting, construction, fund raising, legal, education, housing, risk management and more. information is listed on Page 1 and www.TheSigHouse.org. Give us a try.

#### The Jordan Standard

The confidence of the Founders of Sigma Chi was based upon a belief that the principles which they professed and the ideal of the Fraterrnity which they sought were but imperfectly realized in the organizations by which they were surrounded.

The standard with which the Fraternity started was declared by Isaac M. Jordan to be that of admitting no man to membership in sigma Chi who is not believed to be:

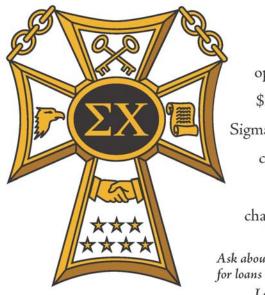
A man of good character A student of fair ability With ambitious purposes A congenial disposition Possessed of good morals Having a high sense of honor and A deep sense of personal responsibility



#### **Board of Grand Trustees**

Front Row Left to Right: Tom Ely, Harv Silverman, Bruce Casner, Rich Thompson, Bill Bringham Jr., Steve Schuyler, Dan Harrop, Rich Hronek Back Row Left to Right: Ray Baumgarten, Scott Ross, Breck Grover, Chad Ward, Tony Flores, Tom Samulski, John Watson, Bill Bowlin, Bill Robinson Missing: JB Allen

# Sigma Chi Fraternity's Constantine Capital, Inc.

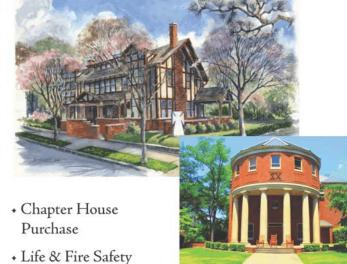


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