



The Sig House

A Quarterly Newsletter from the Board of Grand Trustees - Fall 2007

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Gathering the Gold

The Sigma Chi experience is much more than the chapter house. But the chapter house is an essential component of the experience since it provides the stage where friendships are grown and the seeds of high minded values are sown. As with friendships and values, the chapter house requires care and renewal, all of which costs money...sometimes BIG money.

Every chapter house needs funds to renew, renovate and upgrade. Safety considerations drive the need for fire sprinkler systems, smoke alarms, up to code wiring, fire extinguishers and safe egress. Economic considerations dictate adequate insulation, energy efficient windows and efficient heating and cooling equipment. Recruitment considerations mandate an attractive and competitively priced housing alternative.

Weatherization and insulating work can sometimes be paid for through state grants or utility company rebates or subsidies. Search the internet for "weatherization programs" in your state for alternatives. Other types of renovation work generally require a private funding source. While private lenders may consider lending to a properly registered house corporation with adequate collateral and source of repayment, bank financing carries loan fees, high interest rates, short repayment terms and higher payments. By far, the best source of renovation funding is contributions from chapter alums.

Consider some statistics about fund raisers:

1. A 20-25% participation rate is very good. So, if you have 1,000 potential donors, you can expect only 200 to 250 contributions of *any size*. Do the math for your chapter.
2. 80% of all contributions will come from 20% of donors.
3. Your top 10 contributions typically make up 50% of the campaign goal.
4. The largest gift will be 15% of the campaign goal.

Being successful in gathering the gold requires a carefully executed plan which includes:

Defining the Donor Pool. Every house corporation should make having a complete and accurate alumni database a high priority. It is not only indispensable for raising money, it provides a mechanism for brothers to reconnect with other brothers. Sigma Chi Headquarters www.sigmachi.org can provide the information it has to begin the database building process. Since brothers move, databases are ever changing. This is especially true of many younger alumni who move frequently. Since the post office maintains change of address requests for six month, doing First Class mailings with "Return Service Requested" at least twice a year will capture many of those changes. Bottom Line: building and maintaining a reliable database is

essential to fund raising and virtually every other successful house corporation endeavor.

Wield the Web. The vast majority of brothers have access to the internet and use email regularly. Use this fact to your advantage by hosting a chapter website. The cost is nominal and it's accessible 24/7. Post your database, newsletters, pictures and more. And gather and use email addresses to reduce mailing costs.

Fund Raiser Theme. Every fund raiser should be named. The theme should be carefully chosen, visionary and appeal to the heart because the heart is the key to the wallet. Some examples of successful themes include "Giving Back" which appeals to repaying the debt owed to Sigma Chi for a lifetime of value and "Second 100 Years" which uses tradition and long history as a strong foundation for the future.

How & When Funds Will Be Spent. Along with a theme goes the scheme. All fund raisers need to have a dollar goal based on specific renovation projects systematically accomplished according to a schedule. It's okay to spread the work over several years if the projects are volunteer driven. If hiring a general contractor, most mid range renovations should be accomplished during the summer to avoid occupancy conflicts. If the work is more involved, temporary alternative housing for the chapter needs to be part of the plan.

A Picture is Worth (well, you know). Many alums have not visited the chapter house for years, sometimes decades. A DVD that shows the current condition and plans for renovation is very inexpensive to produce and distribute (\$5-7 each when done inhouse). Don't overlook the opportunity to stir the heart with a

DVD. Focus first on fond memories and then segue into the renovation and money it will take to keep the dream alive for future brothers.

Identifying the Big Hitters. This pool is less than 5% of your total number of prospects but will yield the biggest dollars by far. Most of those who qualify will be in their fifties or older so having generational contacts who know who they are is vital. Once the Big Hitters have been identified, a personal visit is best even if that means long distance travel. Those Big Hitters that commit often know who the other Big Hitters are and may be willing to make personal calls to them. Don't forget to ask.

Name Levels of Giving. Most contributors want to know where they stand in relation to their peers. Brothers are competitive that way. Establish at least five levels of giving that allow the Big Hitters to hit big (like \$10,000 or \$25,000 or more) but still allow smaller donors to play (like \$100 and up). Name the categories for Sigma Chi symbols (Norman Shield, Jordan Standard, White Cross, etc.) or for chapter founders or achievers that are well known. Publish updated results on the chapter website and in newsletters.

Announcing the Campaign. Keep the announcement under wraps until you have gotten commitments for at least half of the goal. *This part is critical.* If announced too soon, levels of giving and numbers of donors will be much smaller. When the campaign is announced with much of the goal already committed and who committed it, others will be more inclined to contribute and match or out do their peers. Do not underestimate the power of this tactic. It is time tested and works.

Keeping the Ball Rolling. Once the campaign is announced, plan to

communicate to the alums three or four times a year to show the progress and continued urgency to donate. A year end appeal in particular can be very effective since charitable giving deductions face a December 31 deadline.

Don't Start Renovation Too Soon. Even though the announced schedule indicates the renovation work will start on such-and-such a date, delay the start if insufficient pledges have been received. Starting too soon is a message to those that haven't contributed that you don't need their money. Put the responsibility for the delay on those that haven't pledged. Tell them "this train can't leave the station without YOU on it".

Aside from the hard work and excitement that comes with a chapter house renovation, the rewards to those that participate cannot be understated. Fund raising and renovation projects give the house corporation board a series of positive long range goals to work on. As goals are accomplished, those that helped should be recognized for the effort in person and in public.

This is one of the best team building exercises there is. It gives others a desire to join a winning team. And it gives still other brothers a chance to show their financial appreciation for what Sigma Chi has meant to their lives. So, make plans to gather the gold that's waiting there to be mined.

Litigation Trepidation

Question: Can a house corporation member be sued for something that happens at the chapter house? Answer: Yes, all of us can be sued and for almost anything. The real question is what is the likelihood a lawsuit will be successful?

A house corporation director who helps move a beer keg into the chapter house is liable if that action

contributes to underage drinking. He is liable to have criminal charges brought against him and if someone is injured as a result of drinking that beer, he may have to defend in a civil trial as well. If a house corporation member acts on his own without the knowledge and permission of the rest of the board, the other board members may escape liability. This assumes that he is not acting in his role as a house corporation member. The duties of house corporation members/officers should be known to all who serve. A person acting outside of those duties is not protected from individual liability nor does insurance cover such acts.

It is important to note that a house corporation may be liable for failure to correct unsafe conditions in the house for which they have direct or indirect knowledge. For example, a fire marshall's notice to the house corporation for code violations puts that house corporation (not its individual members) at risk if there is a fire arising out of those violations.

The best way to insulate alumni serving on house corporations is to follow the law. Ensure the corporation is properly registered with and recognized by the state. Do not act outside of the ordinary and reasonable duties of the house corporation. Do take all reasonable precautions to ensure the operation of the house is safe. Keep every one informed or what the house corporation is doing.

House corporations that follow the law and prudent reasonable operational standards have little to fear from successful third party claims. The corporate shield will give them significant protection. Any house corporation which becomes the target of a lawsuit should contact the RMF, their Grand Trustee and competent local legal

counsel immediately.

There are many factors to consider in being named in a lawsuit and too numerous to adequately cover in this article. But if your House Corporation or directors are named in a lawsuit, contact Risk Management Foundation and your personal attorney.

Grand Trustee Q&A

Q We pay our active chapter's House Manager to assist the house corporation with repairs and coordinating contractors. Is that acceptable?

A It's important for the house corporation to maintain a clear separation from active chapter for liability reasons. To that end, active members should not serve on the house corporation board nor should they be on the payroll. Likewise, the house corporation should not waive rent or pay fraternity dues on behalf of an active. Scholarships, on the other hand, are a permissible and well established method of accomplishing what you seek to do.

Q I attended the Grand Trustees House Corporation Officers Training Seminar (HCOTS) last spring and found it extremely helpful. Besides useful information, I'm inspired to improve our house corp. Are there going to be other HCOTS?

A Glad you asked. HCOTS 2008 is scheduled for June 6-8 tentatively in Dallas TX. If you are a member of your house corporation board and are interested in attending HCOTS 2008, email rich@regensis.net

Fire Safe Houses

Sigma Chi brothers aren't grown on trees. They are grown in chapter houses and both the actives and

houses need to be as safe as possible. The house corporation should partner with active chapter to create and maintain safe conditions. Here are some of the areas to monitor carefully:

Housekeeping. When trash accumulates and dirty clothes pile up, there is a higher likelihood that fire will find fuel to burn. Insist on and check for weekly clean up to address these concerns.

Extension Cords. Many older chapter houses lack the electrical systems that modern structures are required to by code. There are fewer circuits and those there are have lower capacity. Electrical outlets may not be grounded and are fewer in number. Ground Fault Interrupter (GFI) outlets in bathrooms and kitchens are often absent. Yet, today's active brothers use numerous kilowatt eating electronic devices: laptops, printers, stereos, hi-def TVs, cell phone and iPod chargers populate multiple extension cords that festoon every available outlet. If your house is like this, an electrical panel upgrade and more circuits are called for.

Space Heaters. Older housing lacks insulation or double pane windows to keep out winter's bite. Forced air space heaters provide heat levels that could ignite piles of clothes and draperies.

Candles. The dangers of candles begin with an exposed and unattended flame. 40% of candle fires start in the bedroom. Members should prohibit the use of candles throughout the facility.

Smoking. Smoking is the leading cause of fire deaths in the United States. Enacting a No Smoking Policy in the chapter house is a common sense solution. Outdoor cigarette receptacles can be purchased at websites like

www.barcoproducts.com

Flammable Liquids. Cleaning compounds, gasoline, etc. should be stored in a dry and secured location, away from water heaters, furnaces and boilers.

Laundry Facilities. Dryers should have lint traps and vents exhausted to the outside. Exhaust vents need to be cleaned regularly.

Review your chapter house several times a year to check for unsafe conditions and ask the cooperation from active brothers on those things under their control.

Collegiate Housing Bill

Chapter houses seem to have an insatiable need for renovation. As the houses age and are subjected to “accelerated depreciation” by the residents, house corporations are challenged to keep the housing safe and competitive with other forms of university housing.

Universities have long had the advantage of being able to use tax deductible contributions to maintain their property.

The **Collegiate Housing and Infrastructure Act** (Senate Bill 638 and House Bill 643) filed in early 2007 would make that playing field more level by allowing non-university owned not-for-profit student housing, like fraternities and sororities, to enjoy the benefit of tax deductible donations. (Senate Bill 638 is attached.) The effects of this bill will improve the housing capacity and life-safety challenges that currently face much of the college student housing market nationally.

This bill would permit house corporations to receive grants of tax-deductible contributions made to recognized foundations to use for fire and life safety renovations as

well as structural and cosmetic reconstruction without being subject to the “educational purpose test” as required under current law.

Sigma Chi has joined in a cooperative effort to lobby passage of this badly needed legislation. For more on this coalition and the good work it does, see Capital Fraternal Caucus www.fraternalcaucus.org. Please consider registering on the site (Sigma Chi will get recognition for this).

To help promote passage of this bill, the Grand Trustees strongly urge every Sigma Chi house corporation member as well as their family and friends to send messages of support to your elected federal representatives: The Capital Fraternal Caucus website makes this easy. Sigma Chi will get points for each message sent. Grand Trustee Chairman Bruce Casner is the Chairman of Sigma Chi’s Government Affairs Committee and sits on the Capital Fraternal Caucus Executive Committee as well. He assures us that these kinds of communications do make a difference.

Coming Soon to the Web

The Grand Trustees will soon be hosting their own website at www.TheSigHouse.org. The website will feature a Newsletter and Article Archive, Sample Bylaws, Maintenance and Fire Safety Checklists, Procedures and other resources for house corporations.

This was all made possible by the generous support of **Mike Greenberg**, Chairman of Sigma Chi Alumni Services Committee, who provided free website hosting. If your house corporation or alumni association is interested in having its own website, contact john.garrett@sigmachi.org for more information.

Renovation Funding

Sigma Chi offers a great alternative for funding chapter house fire/life safety improvements and renovations. Constantine Capital, Inc.(CCI) has loan programs that can lend up to \$250,000 at competitive interest rates with up to a 30 year amortization schedule.

Go to www.sigmachi.org then **Members** then **Housing** then **Constantine Capital** for more information. For assistance in applying for CCI funding, contact your Grand Trustee.

We’re Here to Help

Your Board of Grand Trustees is here to assist Sigma Chi house corporations in a myriad of ways. Besides many years of service to Sigma Chi in various capacities, there is almost *500 years of combined professional expertise* in such things as real estate development, property management, project administration, politics, maintenance, renovation, insurance, tax planning, accounting, construction, fund raising, legal, education, housing, risk management and more.

While each Grand Trustee is assigned specific provinces to oversee, this combined expertise is available to all house corporations. The key to tapping this gold mine is to contact your province’s Grand Trustee with a specific request for assistance. If your request is out of your Grand Trustee’s specific area of expertise, other colleagues will assist in providing real solutions.

Give us a try. The Grand Trustees are here to help your house corporation be the very best that it can be. Please use the contact information on Page One.



2007-2009 Board of Grand Trustees

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