



The Sig House

A Newsletter from the Board of Grand Trustees

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The Work Party

Since 2006, the Delta Psi House Corporation at Rensselaer Polytechnic Institute (RPI) in Troy, New York has organized and executed a Work Party that allows alumni and actives work side-by-side to perform major maintenance and refurbishment to the chapter house. The Work Party moniker fits well with the RPI motto "Work Hard and Party Hard". The Work Party was a formula of one-part hard work and one-part hard party bonded by brotherhood.



The RPI Sig House is more than 100 years old, sitting on two acres in a residential area one mile from campus. Although there are another half dozen houses within a half-mile radius, no other fraternities are located on the same street. Single-family homes dominate the neighborhood which requires the Sigs to be on their best behavior. The RPI Sigs win approval from the neighbors with an annual leaf raking and assist with snow clearing.

The Work Party is a four day weekend in August ten days before the start of school. For the actives, this means coming back a couple of days early. In 2006, over twenty alumni came for the weekend. One came more than 1700 miles to the "Party". Friday night was meet and greet at a local pub. Alumni and actives then retired to The House to

swap stories and relive memories before the hard work began early Saturday morning. Both actives and alumni worked from sun-up to sun-down. Alumni bunked out at the chapter house old school style while a few camped out in the backyard.

In 2007, the Work Party recruited 33 alumni and collected \$25,000 for projects. The projects were more ambitious and the group organized home-cooked meals in the chapter house's commercial kitchen with steaks, chops, baked potatoes and corn on the grill. They added a ritual meeting on Saturday night, the first for some alumni in many years. **65th Grand Consul Bob Jones Rensselaer '73** joined the Work Party and led the brothers during the ritual meeting.

The Work Party in 2008 was another success with 20 alumni and 25 actives participating.

Recent chapter growth is an indication of the alumni and active cooperation at the Work Party which helped the rush program. The compliments from the neighbors at the refurbished Sig House is also a source of chapter pride.

There were several other benefits. The alumni shared home repair skills with actives that had little such experience. Secondly, the actives gained respect for the chapter house by contributing significant sweat equity. Thirdly, the house corporation and alumni are no longer faceless entities to the actives. And each year, \$25,000 has been raised to fund the renovations. In 2008, alumni actually competed for the house corporation board positions for the first time in many years.

The goal of the annual Work Party is to produce a fully refurbished chapter

house for the 60th Anniversary of the Delta Psi Chapter in 2010. The many benefits of this annual event cannot be understated.

By Bob Shortle - Rensselaer '74

Does your house corporation have a success story to share? Email it to rich@regenesi.net

Ask the Grand Trustee

Q Our chapter does not own a chapter house. The officers of Active Chapter have made arrangements to rent a house from a private party. Should a house corporation be involved in this arrangement?

A Yes. The legal ramifications of rental agreements are beyond the understanding of most undergraduate brothers. House corporations provide the kind of continuity and stability to chapter housing that is simply not possible by undergrads that come and go. Whether the chapter owns or rents a house, a properly formed and incorporated house corporation should act on behalf of the active chapter in housing matters.

Q Our house corporation board of seven includes the Province Grand Praetor, the Chapter Advisor and the Consul. Is this acceptable?

A The last three members should never serve on a house corporation board. These brothers are elected or appointed to advise or administer the Active Chapter operations while the house corporation is charged with managing, owning and/or renting housing on behalf of the Active Chapter. There is a troublesome potential link to the general fraternity when Grand Praetors and Chapter Advisors serve on the board. This could bring liability to the general fraternity which could be costly to defend. There is nothing wrong with these officers attending house corporation meetings and advising the board.

The house corporation is a separate legal entity apart from the fraternity and its

Active Chapter. It exists to own or lease property and manage it for the benefit of the Active Chapter tenants. A house corporation should not be involved with the Active Chapter operations except to collect the rent and provide safe and adequate housing.

In some instances, a properly formed and maintained house corporation may be established to raise funds to purchase or build a chapter house in the future. Still, it should not deal with active chapter operations. That is the role of the Grand Praetor, the Chapter Advisor, Active Chapter officers and an alumni advisory group. Having these brothers serve on the house corporation provides a dangerous link from Active Chapter operations to the general fraternity.

Q Our house corporation would like to explore options for tax deductible fund raising. Who can help us?

A Having the ability to offer tax deductibility to donors can be a great incentive to increase levels of giving. Unfortunately, most house corporations do not enjoy the tax deductibility afforded by a 501(c)(3) tax status which must be approved by the Internal Revenue Service. The IRS has strict guidelines on what kind of non-profit corporations qualify.

The Grand Trustees now has a **501(c)(3) Assistance Committee** to provide options and resources to Sigma Chi house corporations. Contact Committee Chair Bruce Morgan Casner at sigmachi@casner.com or Phone 202.543.4600.

Do you have a question about house corporation operations? Email rich@regenesi.net

The Live In & Live Out Obligation

Many house corporations struggle to maintain the chapter house at capacity to produce the revenue required to pay operating, maintenance, repair and renovation costs. Chapter houses that previously filled multiple occupancy bedrooms now have trouble putting one brother in each bedroom. The math is simple: fewer occupants = less rent.

Some chapter houses are fortunate to have excess common area which can be converted to additional bedroom space which will help improve revenue after investing in more bedrooms. However, for many house corporations, much of the occupancy problem can be traced to the refusal of some actives to live in the chapter house to support the operation.

Think of it like belonging to a private golf club. If the club had to survive solely on green fees, it would likely go out of business. So virtually all clubs have a fee system that all members pay whether they play or not. These regular fees help support the operation. A similar system could be enacted to support the chapter house operation in the form of Live In and Live Out Fees.

Live In Obligation. This obligation typically covers rent, insurance, food, utilities, fraternity dues and possibly a social fee. To remain an active member of the Sigma Chi "club", each active would have an obligation to live in the chapter house for, say, four semesters (or six quarters) not including summer session. This obligation is best met the session after going active if possible (subject to move in restrictions mandated by some colleges). Once a brother moves out of university housing and signs a long term lease on an apartment, living in the chapter house becomes much more problematic. So, making it clear to all pledges early on that part of being a Sigma Chi includes certain financial obligations which include living in the chapter house is *critically important*.

Live Out Obligation. Once the Live In Obligation is satisfied, all actives would be responsible for paying a Live Out Fee. This fee would cover fraternity dues, social fee, insurance, soap and things. While it is going to be much less than the Live In Fee, the insurance component alone could be many hundreds of dollars a year. Make sure to collect enough to cover the cost. This fee should continue as long as an active is an undergraduate.

Communicating the Live In and Live Out Obligations. This is a critical step. It should be done by the Magister or Consul with assistance of a house

corporation representative to ensure the communication is timely, clear, complete and consistent. It should be done at a special meeting so that all pledges (and actives, if possible) hear the same message at the same time. At that meeting, each pledge should sign an agreement that explains the Live In and Live Out Obligations in detail.

For some, this revelation could be a defining moment. If a particular pledge only intends to join the fraternity for parties, the obligation to pay money and live in the chapter house may cause him to rethink that. It's best to provide early and full disclosure of obligations rather than have to go through contentious enforcement measures after activation.

And don't overlook the fact that many parents pay for college expenses. These obligations should be communicated to them as well.

And finally, don't overlook sharing the benefits of the Live In "experience". Learning to live with those with "different temperaments, talents and convictions" is an invaluable life lesson. Sigma Chi's that experience it are more likely to form the life long bonds that the Fraternity holds so dear.

Codifying the Live In and Live Out Obligation. While mandatory Live In and Live Out Fees help ensure consistent cash flow for the house corporation, the requirement to pay them needs to be codified in Active Chapter bylaws so that a violation is considered a breach of duties owed to Sigma Chi. Suggested wording to the bylaws is as follows:

"All active members of (blank) Chapter are obligated to live in the chapter house and pay rent, food, utilities, fraternity dues and other reasonable charges for a minimum of (blank) semesters (or quarters). This Live In Obligation is to begin the semester (or quarter) immediately following initiation. The Live In Obligation may be appealed to Active Chapter because of move in restrictions imposed by the university, an existing rental agreement committed to by the initiated brother or other reasonable basis.

Once the Live In Obligation is satisfied, all active members shall pay a Live Out

Fee each semester (or quarter) to cover fraternity dues, insurance and other reasonable charges."

Bottom Line. Having a reliable cash flow for chapter house operations is absolutely essential to keeping the house in good and attractive condition. While the house corporation is charged with careful management of the assets, undergraduate financial support is critical to the success. The bonus is that when brothers are held financially accountable, they also gain great training for later life.

For a sample Live In & Live Out Obligation Agreement, email rich@regenesi.net

Christmas Break Winterization

Finals are soon coming to an end and it will be time to go home for the holidays! Before the chapter house is vacant, the house corporation should prepare for Christmas Break. In colder climates in particular, the chapter house needs to be protected against freezing pipes and related water damage. In addition, vacant buildings attract vandals and thieves. The following checklist will help ensure that the chapter house is prepared to weather the storm:

- Set the thermostat at no less than 60°F.
- Repair broken doors or windows which cause heat loss.
- If there is a fireplace, make sure the flue is closed and a note left taped to the hearth to remind users to reopen it before lighting a fire.
- Make sure outside faucets have hoses removed and are properly covered to prevent freezing.
- Inspect and clean gutters and downspouts for proper drainage.
- Appoint a house corporation member to make a weekly inspection of the chapter house during the holidays.
- Lock all windows and doors.
- Arrange for someone to pick up mail and newspapers.
- Hire someone to keep the sidewalk clear of snow and ice.

Guard well the chapter house by being proactive and attentive.

Collegiate Housing & Infrastructure 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** (House 1547/Senate 781) would level the playing field by allowing non-university owned not-for-profit student housing, like fraternities and sororities, to enjoy the benefit of tax deductible donations. 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 plus maintenance and operations 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 **Bruce Morgan Casner** serves as the Chairman of Sigma Chi's Governmental 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.

Grand Trustee Website

The Grand Trustees proudly host www.TheSigHouse.org which features a Newsletter and Article Archive, Sample Bylaws, Standard Operating Procedures, Maintenance and Life/Fire Safety Procedures and a growing list of other resources for house corporations. Each quarter when The Sig House newsletter is published, new articles and resources are added to this growing archive of information. House corporations are encouraged to put this information to good use and have permission to reprint articles on your websites and in your newsletters.

Constantine Capital, Inc.

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

Also, if your house corporation is considering doing a major fund raiser, CCI can provide seed money to get architectural inspections and drawings done by providing short term funds to get the ball rolling.

Go to www.sigmachi.org > Members > Housing > Constantine Capital, Inc. for more information. For assistance in applying for CCI funding, contact your Grand Trustee. Contact information is on Page One of **The Sig House**.

We're Here to Serve

The Board of Grand Trustees is available to assist house corporations in a myriad of ways. There is over *600 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. We're here to serve.

Merry Christmas
and a
Significant
New Year

The Jordan Standard



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

he 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