



# The Sig House

*A Quarterly Newsletter from the Board of Grand Trustees*

## BOARD OF GRAND TRUSTEES

*(alphabetical by last name)*

**Bill Bowlin (2009)** [bbowlin@caslp.com](mailto:bbowlin@caslp.com)  
6930 Shady Lane Bus 281.499.4747  
Sugar Land TX 77479 Fax 281.499.6655  
East, North & Central Texas

**Bill Bringham, Jr. (2013)** [ECBFinl@att.net](mailto:ECBFinl@att.net)  
Treasurer  
1428 Kaywood Ln Bus 847.446.7890  
Glenview IL 60025 Fax 847.446.7893  
N. & Central Illinois, E. & W. Michigan, Wisconsin

**Bruce Morgan Casner (2013)** [sgmachi@casner.com](mailto:sgmachi@casner.com)  
Chairman  
1332 Independence Av SE Bus 202.543.4600  
Washington DC 20003-2365 Fax 202.547.4750  
Eastern, Mid Atlantic, Ontario/Quebec

**Tom Ely (2011)** [tely@bellsouth.net](mailto:tely@bellsouth.net)  
2827 Carriage Way Bus 931.221.2278  
Clarksville TN 37043 Fax 931.551.1027  
Kentucky, West Tennessee

**Tommy Geddings (2009)** [Tommy@geddingslawfirm.com](mailto:Tommy@geddingslawfirm.com)  
Executive Committee Representative  
20 S. Brooks Street Bus 803.435.4770  
Manning SC 29102-3110 Fax 803.435.2841  
Georgia, South Carolina, North Carolina

**Breck Grover (2013)** [dbgrover1@comcast.net](mailto:dbgrover1@comcast.net)  
4147 East 17<sup>th</sup> Avenue Parkway Bus 720.913.5033  
Denver CO 80220-1012 Fax 303.394.2890  
E. Tennessee, W. Virginia/W. Penns., Rocky Mountain

**Dan Harrop (2011)** [danharrop@hotmail.com](mailto:danharrop@hotmail.com)  
PO Box 603364 Bus 401.274.8337  
Providence RI 02906-0764 Fax 401.274.1633  
N. Atlantic, NW New York, Eastern New York/Connecticut

**Rich Hronek (2011)** [Hronekfam@centurytel.net](mailto:Hronekfam@centurytel.net)  
2977 Mapleview Lane Bus 330.606.0827  
Avon OH 44011 Fax 330.670.8280  
North & South Indiana, North & South Ohio

**Scott LeTellier (2009)** [SPLeTPVE@aol.com](mailto:SPLeTPVE@aol.com)  
2306 Palos Verdes Dr W #306 Bus 310.544.2272  
Palos Verdes Estates CA 90274 Fax 310.544.2443  
Los Angeles Coastal, North & South California

**Rip Peterman (2009)** [rip\\_peterman@compuserve.com](mailto:rip_peterman@compuserve.com)  
Secretary  
3540 Cambie Street, #2B Bus 604.879.5689  
Vancouver BC V5Z 2X1 Fax 604.879.5689  
Northwestern, Utah/Nevada

**Scott Ross (2013)** [hsross@bellsouth.net](mailto:hsross@bellsouth.net)  
PO Box 1487 Bus 662.494.2593  
West Point MS 39773-1487 Fax 662.494.2562  
Alabama, North Florida, Southern

**Bob Schock (2011)** [rschock@yarco.com](mailto:rschock@yarco.com)  
Liaison to Constantine Capital  
12703 Wenonga Lane Bus 816.300.0604  
Leawood KS 66209-1630 Fax 816.300.4147  
Kansas/Nebraska, North Central, Northern Missouri

**Harvey Silverman (2009)** [harveyas@aol.com](mailto:harveyas@aol.com)  
Liaison to Grand Praetors  
1430 Rosewood Hill Dr. Bus 703.319.8806  
Vienna VA 22182-1484 Fax 703.319.8773  
Central Pennsylvania, Eastern & Western Virginia

**Rich Thompson (2011)** [rich@regenesi.net](mailto:rich@regenesi.net)  
Vice Chairman/Communications Chairman  
PO Box 19605 Bus 503.977.7974  
Portland OR 97280 Fax 800.979.2313  
The Big Sky, Southwestern

**John Woolman (2013)** [jwoolman@mcgrawok.com](mailto:jwoolman@mcgrawok.com)  
2016 South Atlanta Pl Bus 918.749.2300  
Tulsa OK 74114 Fax 918.749.2310  
Oklahoma/Arkansas, Southern Missouri, South Florida

## The Sprinkler Effect

One of the Grand Trustees' core charges is chapter house fire safety. While there are many relatively simple and inexpensive fire safety protocols that all house should have (like fire extinguishers, lighted EXIT signs, fire rated doors, etc.), the single best way to control a fire is a fire sprinkler system which is designed to automatically discharge water when the heat of a fire has been detected. So, if a fire breaks out in one area of the building, the system will put it out quickly before it spreads, limiting property damage, personal injury and loss of life.

A bit of history...Henry Parmelee created the first fire sprinkler system in 1864 to protect his piano factory. Parmelee patented his idea and had great success with it in the U.S. He then traveled to Europe to demonstrate his invention but did not get the reception he hoped for. Most simply could not afford the cost.

Parmelee turned his efforts to educating the insurance industry by demonstrating how the system would reduce claims. With reduced claims, the insurance companies could offer reduced premiums which would be an inducement for the insureds to install fire sprinkler systems.

Parmelee was able to promote his invention to the Textile Manufacturers' Association which had a policy of encouraging risk improvement and the use of the most up-to-date apparatus for extinguishing fires. Even so, by 1883 only about 10 factories were protected by the Parmelee sprinkler.

Fredrick Grinnell designed a newer and better system known as the Grinnell sprinkler. He increased effectiveness by removing the fusible joint from all contact with the water. And by seating

a valve in the center of a flexible diaphragm, the valve seat was forced against the valve by the water pressure, producing a self-closing action. The greater the water pressure, the tighter the valve. Grinnell got a patent and marketed it in Europe where it was a much bigger success than the Parmelee version. Eventually, the Parmelee system was withdrawn, which left an open path for Grinnell and his invention.

Residential fire sprinklers work automatically and operate at a predetermined temperature using either a fusible element which melts or a glass bulb containing liquid which breaks. When activated, a plug is pushed out by water pressure and the water stream impacts a deflector which produces a spray pattern. Ceiling sprinkler heads are designed to direct spray downwards while spray nozzles provide spray in various directions and patterns.

One of the biggest misconceptions propagated by Hollywood is that when a fire sprinkler system is activated, all the heads fire at once all over the building causing massive water damage. In fact, residential systems are designed to only activate and suppress the fire where it actually is. And while there is bound to be some water damage, it pales in comparison to the damage done by a fully deployed fire hose dragged into a burning building by the fire department.

Does your chapter house have a fire sprinkler system? If not, it is only a matter of time before the local fire marshall makes it a requirement. Why not put one on your priority list of fire safety upgrades.

*For more ideas on life and fire safety, see [www.TheSigHouse.org](http://www.TheSigHouse.org) Newsletter Archive.*

## Giving = Happiness

It's a well known proverb that money can't buy happiness, but according to a recent study by scientists at the University of British Columbia, giving money away may be able to do so. They found a correlation between a person's happiness and the amount of money that they give to others. Psychologist Elizabeth Dunn stated "Regardless of how much income each person made, those who spent money on others reported greater happiness, while those who spent more on themselves did not."

Someone apparently doesn't need to donate thousands of dollars on others to reap a gleeful reward. Researchers gave college students a \$20 bill, asking them to spend the money by that evening. Half the participants were instructed to spend the money on themselves, and the remaining students to spend on others. Participants who spent the windfall on others reported feeling happier at the end of the day than those who spent the money on themselves.

If such small sums spent on others can produce a surge in happiness on a given day, why don't people make these changes? In a study of more than 100 college students, researchers found that most students thought personal spending would make them happier than spending on others. While it does cause momentarily happiness, the warm feelings are short-lived.

There are a number of benefits about giving:

- People feel good about themselves when they do it.
- It helps build social relationships.
- It helps a person express a certain identity.
- It provides a mean to life. Giving away money to a cause you believe in is a more effective purchase than buying a T-shirt that says "Save a Whale."

Every house corporation should engage in fundraising to maintain the chapter house, raise scholarship money, for team building, to unify alums and to attract volunteers. Now you have one more reason: You are helping boost your brothers' happiness by giving them an opportunity to give.

*For more ideas on fundraising, contact your Grand Trustee.*

## 2008 HCOTS is a Hit!

2008 House Corporation Officers Training Seminar was held in Dallas and attended by the following US and Canadian brothers:

Roger Adams	Arizona State University
James Ahrens	Embry-Riddle Aeronautical University
Charbel Balloutine	University of Waterloo
Tom Clark	University of Indiana-Pennsylvania
Don Dages	Kent State University
Rick Dissly	Montana State University
Tony Flores	University of California-Fresno
Ben Halliwell	Virginia Tech
Randy Harrison	University of Montana
Phil Kempton	Dalhousie University-St. Mary's
Patrick Mangan	University of Northern Colorado
Mac McClure	West Virginia Province

Roger Moody	Embry-Riddle Aeronautical University
Josh Moody	Stephen F. Austin State University
Omar Nevarez	San Jose State University
Chris Pehlke	Wilfred Laurier University
Ben Pendry	Western Carolina University
Jean-Yves Pikulik	McGill University
John Rhodes	University of Central Florida
Phil Sanchez	University of California-Fresno
Tom Shearer	University of Texas-Arlington
Robert Tetrault	Embry-Riddle Aeronautical University
Chad Ward	University of Texas-Arlington
Dustin Wingenbach	University of Wyoming
Wade Young	University of Northern Colorado

The Grand Trustee facilitators were Bruce Casner, Rich Thompson, Rip Peterman, Harv Silverman and Bob Schock plus guest Mark Burroughs, Chairman of the Leadership Training Board. Topics discussed included The Millennial Student & Housing Trends, Risk Control & Life Safety Considerations, Chapter House Inspections & Maintenance, Corporate Governance & Legal Issues, Non-Profit Corporation Overview, Fundraising 101, Donor Management Software, Collegiate Housing & Infrastructure Bill Update plus Attracting, Motivating & Using Volunteers.

Some comments from attendees included:

- The presentation on millennial students really opened my eyes to the relevant issues.
- A great presentation about scheduled maintenance.
- Interesting to hear the concern of brothers around the fraternity. Lots of commonalities but interesting to hear local solutions.
- The facilitators were excellent/superior in their style, content and responsiveness.

HCOTS now celebrates its third year. It educates on critical issues that every house corporation needs to know. If you are interested in attending a future HCOTS, email [rich@regenesi.net](mailto:rich@regenesi.net)

## Major Fundraising Marvel

When Sigma Chi Jim Dora and Bernie Sergesketter returned to the Purdue University campus for Homecoming in 2003, they were shocked by the condition of the chapter house. Delta Delta Chapter has a proud and distinguished heritage, but the house that Sigma Chi George Ade had built for the chapter in 1912 had begun to deteriorate to a condition that realistically was no longer safe for its undergraduate members.

So Dora and Sergesketter decided to spearhead a renovation planning committee to address long-term facility issues and opportunities. Their goal was to develop a plan that might serve the needs of the chapter well into the next century.

Architects and engineers brought in to evaluate the physical structure quickly noted that a major investment was necessary. The plumbing, electrical, and mechanical systems had all outlived their life expectancies. Pipes and fixtures throughout the house needed to be replaced. The preliminary cost estimate to renovate the chapter house: \$6,000,000.

That figure might scare most but the Delta Delta Sigs took it as a challenge. Campaign co-chairman Bruce Harreld asserted, "We have an opportunity to rededicate Delta Delta to building leaders. We should...use this effort as a platform to build tomorrow's leaders just as George Ade, et al., did 100 years ago."

The Delta Delta House Corporation board's aim was a high-quality durable facility that will provide a safe living and learning environment for many years. In addition to mandatory building and fire code requirements, the architects was instructed to place emphasis on providing ample study space and access to technology. Other enhancements included:

- Personal accommodations: Shift sleeping accommodations from cold-air dorm to study/sleeping rooms with loft beds, work spaces, and dedicated personal storage. The reconfiguration provides space in the facility for storage of seasonal items and large personal items.
- Study and leadership environment: Separation of public spaces from study areas to enhance the academic environment. Revised library and new computer facilities provide research and reading space. New group study spaces, small team study space, and a dedicated presentation room support the changing academic needs of today's college student.
- Life-safety improvements: code-compliant stair towers, suitable fire exits, wet-sprinkler system, automatic smoke detection system, and manual alarm devices.
- Enhance the commercial-grade food preparation, storage, and serving areas.

The committee selected Pennington & Company [www.penningtonco.com](http://www.penningtonco.com) to assist with fundraising strategy and execution of the campaign. After reviewing Pennington & Company's detailed feasibility study, the campaign committee charged forward with what some assumed to be near-impossible goals: \$6 million to be raised and more than 50% of the chapter's alumni counted on the donor list.

On March 1, 2006, after months of hard work and dedication, Delta Delta launched the "Securing the Future of Delta Delta" campaign. The announcement included early commitments of \$4.89 million made by insiders and volunteers and cumulated giving from the undergraduate chapter that totaled more than \$125,000.

But this was only the beginning. Scores of volunteers marched into action. Through phone calls, letters, and personal visits, these loyal alumni delivered personal testimonials regarding their Sigma Chi experience and the importance of this project. Their efforts paid off handsomely; effectively enlisting 510 other alumni to join them in contributing to this project.

Altogether, the campaign has blown past its initial goals; recording to date **\$7,407,392** in contributions from 860 contributors, an amazing 59% of its alumni base.

Volunteers are critical to the ultimate success of a fundraiser campaign and the Delta Delta brothers proved to be more than equal to the task. The renovated house re-opened its

[www.TheSigHouse.org](http://www.TheSigHouse.org)

doors and welcomed its first residents Fall 2007.

*For more on fundraising contact your Grand Trustee.*

## Seven Successful Habits

House corporations are designed to provide safe and adequate chapter housing. To be successful, consider the following habits:

### 1. Operate Like a Business

- ◆ File for incorporation.
- ◆ Conduct regular meetings.
- ◆ Prepare and distribute minutes for all meetings.
- ◆ Prepare an annual budget based on historical data.
- ◆ Develop a well-balanced board of directors with a mix of ages, experience and backgrounds.

### 2. Execute a Rental Agreement

- ◆ Specify the amount of rent for each period (monthly, semester, or annually).
- ◆ Establish reasonable rules and policies (like alcohol/substance free and no smoking).
- ◆ Specify the right of the house corporation to terminate the agreement if tenants breach the agreement.
- ◆ Require written rental agreements signed by parents/guardians from all tenants which includes a security deposit.
- ◆ Conduct regular property inspections for both cleanliness and maintenance.
- ◆ Have a check-in and check-out procedure.
- ◆ Provide professional cleaning of the bathroom and kitchen to ensure sanitary condition.

### 3. Charge Fair Market Rent

- ◆ Charge fair and competitive market rent. If you are fortunate enough to collect more than you need, put it into a reserve fund. You'll need it.

### 4. Establish a Reserve Fund

- ◆ Establish a maintenance and replacement reserve fund.
- ◆ Update the reserve analysis every year.
- ◆ Schedule projects during the summer or winter break to avoid disruption.

### 5. Reduce the Debt

- ◆ Reduce interest on debt when possible by refinancing.
- ◆ Always charge a fair market rent even when debt is paid off to build reserves.

### 6. Fill the House

- ◆ Establish a fair market based on what is needed to pay house corporation expenses (insurance, maintenance, debt, etc. and reserves).
- ◆ Close the house in the summer unless it will raise more revenue that the maintenance costs required to repair the damage inflicted.

### 7. Promote a Sense of Ownership

- ◆ Allow undergraduates to attend board meetings to promote "buy in".
- ◆ Solicit input from the undergraduates to provide a facility

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that will be competitive in amenities.

◆ Reacquaint the undergraduates every year with the purpose and functions of the house corporation.

Successful house corporations don't happen by accident. Follow these time tested habits and become one of the success stories.

## New 2008 IRS Filing Requirement

Beginning in 2008, tax-exempt organizations with gross receipts of \$25,000 a year or less will be required to file a Form 990-N, Electronic Notice for Tax-Exempt Organizations not Required to File Form 990 or 990-EZ. The change will affect most Sigma Chi undergraduate chapters, alumni chapters and house corporations.

The new requirement takes effect for the 2008-2009 fiscal year and the due date is the 15th of the 5th month following the end of your fiscal year. (If your fiscal year ends on June 30, then your Form 990-N is due on Nov. 15.

The IRS will revoke the tax-exempt status of any organization that fails to meet all filing requirements for three consecutive years. The organization will then be required to reapply for tax-exempt status and comply with the new filing regulations.

For more information, visit the IRS website at [irs.gov](http://irs.gov) or call the IRS at (877) 829-5500.

## 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](http://www.fraternalcaucus.org). Please consider registering on the

[www.TheSigHouse.org](http://www.TheSigHouse.org)

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 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.

## New Grand Trustee Website

The Grand Trustees proudly host [www.TheSigHouse.org](http://www.TheSigHouse.org) which features a Newsletter and Article Archive, Sample Bylaws, Maintenance and Fire Safety Checklists, Procedures and a growing list of other resources for house corporations.

This was all made possible by the generous support of Alumni Chapter Executive Committee Representative **Mike Greenberg** who also chairs the **Sigma Chi Alumni Services Committee**, which provides free website hosting. If your house corporation or alumni association is interested in having its own website, contact [www.sigmachi.org](http://www.sigmachi.org)>**Contact HQ>Alumni Chapter Information** for more.

## 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.

Also, if your house corporation is considering doing a major fundraiser, 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](http://www.sigmachi.org)>**Members>Housing>Constantine Capital, Inc.** 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.

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## 2007-2009 Board of Grand Trustees

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