

The Sig House A Newsletter from the Board of Grand Trustees

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Golden Goose Strategy

House corporations are forced to deal with their active chapter's bad behavior sooner or later. Disturbing the neighbors with loud parties/music, substance abuse and related damage/injuries can happen anytime, day or night. While these activities are usually kept under control, every year there is a new crop of brothers all too willing to test the limits of reasonable behavior.

Host institutions have a naturally dim view of this raucous behavior and tend to compile damning histories of the activity. While a single event is bad enough, adding up multiple violations over multiple years creates the impression that the problem is systemic and terminal. When the violation list gets long enough, the administration's all too frequent solution is force chapter closure, punishing both bad and good alike.

Let's face it. Many active chapters have a deserved poor record of self discipline. While officers do their best to control bad behavior, they often lack the confidence and leadership skills to pull it off. Or worse, some "circle the wagons" and attempt to conceal or protect the guilty. What's a house corp to do when the lunatics have taken over the asylum? Before we go there, let's look at how a house corp can better position itself with the administration.

Golden Goose Strategy. All too often, the only relationship a house corp has with the university is a crisis relationship: the boys have done something bad and there is a threat of chapter closure. A preemptive strategy that will bear significant fruit is to establish a "business partnership" with the university. There are several elements to this strategy:

1. Greeks are gold. Historically, Greek

alums contribute more money to a university than any other alumni. So, a healthy Greek system pays big dividends to the university. Conversely, as Greek numbers wane, so do contributions. This point is compelling. Get the administration to recognize that the Greek system is a Golden Goose worth preserving and nurturing.

2. Stand in the gap. Assure the administration that the house corp will handle the discipline issues with real consequences (and do it). This approach should win significant points since it makes the administration's job much easier.

3. Raise funds using the university. Explore the possibility of raising tax deductible donations by way of the university foundation.

4. Invest with the university. If you are funding a scholarship endowment, let the university manage the funds. This is a win-win partnership. The house corp is helping build the foundation's bottom line.

5. Use the university for collections. Get the university to collect house bills just like they do for campus housing. The university has the advantage of withholding grades and blocking registration of unpaid account holders. They also take credit cards.

So, now that you've established a good working relationship with the university, how do you deal with discipline issues? There are a number of options:

Invoke the Rental Agreement. Your rental agreement, whether with the active chapter or individual brothers (both are recommended), should clearly identify violations of law, university or fraternity policies as grounds for eviction. Unless the violation is severe,

consider a "two strikes and you're out" the chapter. approach.

Know Your Clients. Getting to know the undergraduate brothers at a more personal level can help keep you alerted to both leadership potential and red flags. To facilitate this:

1. Hold board meetings at the chapter house. It will give you a reason to inspect the chapter house condition and an incentive for the actives to clean it up.

2. Encourage the officers to attend the board meetings. Give the Consul and Quaestor places on the agenda to give reports. Ask about issues of concern like poor grades, house maintenance and outof-control brothers.

3. Get to know the actives individually. Ask if they are interested in holding an office. If so, encourage them to run. Confidence can be an issue for some and your encouragement could go a long way to promoting the right men to office.

Participate in a Member Review. House corps should steer clear of directing active chapter discipline matters unless they pertain to violations of the rental agreement. However. participating in a Member Review as an alumni brother along with active officers and the Grand Praetor can help lend authority to the process.

The purpose of a Member Review is to promote a meaningful dialogue with all undergraduate members, not just the problem members. Each member is interviewed to discuss grades, financial accountability, discipline issues and long term goals. If there are problem areas (low grades, owes money, etc.), a written plan for correction and consequences is Examples: "My next developed. semester's GPA must meet or exceed (fill in the blank) or I will move out of the chapter house until I achieve the standard" or "My outstanding balance of will be paid in full by (fill in the \$ date) or I will move from the chapter house and accept financial suspension until the balance is paid". Defining the issues, the timetable and consequences in writing and having the brother agree to it shows a commitment to change that is essential for success. Hopefully, each brother will live up to their commitment. Some won't and the consequences must be invoked for his own good and that of

Suspension or Explusion from the Fraternity. In some cases, immediate consequences are needed due to illegal and/or egregious acts. Suspending or terminating fraternity membership should be processed by active chapter with assistance from the Grand Praetor and chapter alumni. The house corp board should not take such action as a The house corp is a house corp. landlord and should limit its actions to violations of the rental agreement. For sample rental agreements, see www.TheSigHouse.orgArticles section.

The Golden Goose approach is a winning strategy. It puts the house corporation in a "valued partner" relationship with the administration and in a much better negotiating position when the bad boy behavior strikes. Go with the Goose! **IHSV**

2011 Outstanding House Corporation Awards

This year, Sigma Chi house corporations that manage a chapter house were invited by the Grand Trustees to apply for this prestigious award. The award criteria and point value were based on these good property management and business practices: Pts

1.	Minimum	3	member	board

2. Minimum 2 board meetings/year

1

1

2 $\overline{2}$

1

1

2

2

2

- 3. Written bylaws
- 4. Written rental agreement
- 5. Security deposit required
- 6. Regular janitorial service
- 7. Plan for major repairs
- 8. Monitored smoke alarm system
- 9. Fire sprinkler system
- 10. Professional property manager
- 11. Minimum two newsletters/year
- 12. Maintains alumni database
- 13. Maintains website
- 14. Active fund raising campaign

To win the award, applicants needed to achieve at least 17 of 25 points. We are pleased to announce the winners (drum *roll*):

Alpha Chi House Corporation Pennsylvania State University

Beta Delta House Corporation University of Montana

Delta Delta House Corporation Purdue University

Delta Iota House Corporation University of Denver

Delta Psi House Corporation Rensselaer Polytechnic Institute

Delta Rho House Corporation Bradley University

Epsilon Eta House Corporation California State-Fresno

Epsilon Kappa House Corporation University of Memphis

Epsilon Omega House Corporation Ball State University

Epsilon Omicron House Corporation University of Western Ontario

Eta Iota House Corporation Embry-Riddle (Daytona Beach)

Eta Omicron House Corporation Indiana University of Pennsylvania

Eta Rho House Corporation University of North Alabama

Gamma Delta House Corporation Oklahoma State University

Omega Omega House Corporation University of Arkansas

> **Psi Psi House Corporation Syracuse University**

Upsilon Upsilon House Corporation University of Washington

> Xi Xi House Corporation **University of Missouri**

Zeta Psi House Corporation University of Cincinnati

 Σ Xcellent job! Thanks to all that applied and for all you do for Sigma Chi. **IHSV**

House Corporation: More Than a Title

Chapter housing varies considerably from chapter to chapter. Some house corporations own the chapter house, some rent from private owners, some

rent from the university, while others board should not exceed authority have no chapter house at all. But every chapter should have a house corporation that acts on its behalf.

There is more to a house corporation than a name. As the term suggests, there should be a legally incorporated corporation behind the name. While this would seem obvious, your house corporation is not be a corporation if it has never filed for incorporation or has let the corporation lapse by not filing an Annual Report and paying the required fee. You can verify your house corp's corporate status by way of your state's or province's website.

House corporations have a number of duties and functions including:

1. Hold Meetings & Take Minutes. Minutes are the record of what business was transacted at each meeting. Minutes summarize actions, they don't recite the whole thing word for word. Remember: Minutes are minutes, not seconds or hours. That means not too much and not too little. Record them keeping in mind others that were not there need to understand what happened. For tips on how to record minutes, see www.meetingwizard.org

Adopt Bylaws. Bylaws are the 2. official framework that describe how a corporation is to be run and the rights and powers of the directors and officers. 11.

3. Hold Annual Elections. Director terms of office are often two or three years. It's best to stagger the terms so not all director terms expire at the same time. Continuity is a good thing so that 12. Volunteer and encourage others a brand new board doesn't need to make the same mistakes all over again.

4. Perform Annual Reporting. States generally require the filing of an Annual Report which requires payment of a fee and completion of a form which identifies the current key contacts.

File Annual Tax Returns. 5. Corporations must file an annual tax return even when no tax is owed.

6. Operate Within Your Governing **Documents.** The articles of incorporation and bylaws give the board specific authority which has limitations. They can be amended if the board wants to change that level of authority but the without doing this step.

7. Secure Proper Insurance. House corporations insured by Risk Management Foundation (RMF) for Fire and Hazard and General Liability Insurance also insure volunteers that serve on the house corporation board.

8. **Regularly Inspect and Correct** Unsafe Conditions in the Chapter House. At regular intervals, the chapter house should be inspected for condition, cleanliness and fire safety. A To Do List should be compiled and tasks assigned to either house corp and active chapter as appropriate. The house corp should reinspect to ensure active chapter compliance.

9. Maintain Arms Length Relationship with Active Chapter. House corporations should not interfere with active chapter operations. Keep the relationship between the house corporation and active chapter strictly landlord to tenant.

10. Take advantage of your Grand Trustee resource. Each province's house corporations are assigned a Grand Trustees for assistance and advice. For contact information, see the cover of Sig House newsletter The of www.TheSigHouse.org

Attend House Corporation Officers Training Seminar (HCOTS). Sigma Chi underwrites a training each year for house corp officers. The time you spend there is invaluable.

to do the same. Give of your time and experience to grow more worthy Sigma Chis.

Serving on a Sigma Chi house corporation is a noble calling. There is always room for "a few good men". And make sure your house corporation is more than just a name by performing the recommended tasks. IHSV

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 critical areas 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 outside of your Grand Trustee's specific area of expertise, other colleagues will assist in providing real solutions. Give us a try. **IHSV**

House Corporation Resource Directory

ARCHITECTURAL & PLANNING SERVICES 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 HOUSE FINANCING OPTIONS 816.300.0604 Constantine Capital, Inc. robert.schock.ze@sigma Bob Schock Provides affordable financing options to Sigma Chi house corporations for chapter house purchase, life & safety upgrades, new construction, renovation and loan guaranty

FINANCIAL & DATABASE MANAGEMENT

800.276.6342 OmegaFi 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.

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

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.

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.

FUNDRAISING ASSISTANCE

Grand Trustee Bruce Morgan Casner 202.543.4600 bruce.morgan.casner@sig Options on qualifying for tax deductible donations.

Pennington & Associates 785.843.1661 Patrick Alderdice palderdice@penningtonco.com Capital campaign coordination, gift management, alumni relations programs, website development www.penningtonco.com

INCORPORATION ASSISTANCE Grand Trustee Harvey Silverman 703.319.8806 harveyas@aol.com



Front Row L to R: Dan Harrop, Breck Grover, Bill Bringham Jr., Rich Thompson, Steve Schuyler Back Row L to R: Joel Jensen (Grand Praetor Rep), Bob Schock, Chad Ward, Harv Silverman, Rich Hronek, Ray Baumgarten, Tony Flores, John Watson, Bruce Casner, Tommy Geddings, Bill Robinson, Scott Ross, Bill Bowlin, Tom Ely

