



The Sig House

A Quarterly Newsletter from the Board of Grand Trustees - Summer 2006

BOARD OF GRAND TRUSTEES (alphabetical by last name)

Billy W. Bowlin bbowlin@cleanairsolutionstx.com
6930 Shady Lane Bus 281.499.4747
Sugar Land TX 77479 Fax 281.499.6655
East, North & Central Texas

Bill T. Bringham, Jr. 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

Mark E. Burroughs Mburroughs2@nc.rr.com
Executive Committee Representative
119 Chimney Rise Dr Bus 919.468.0633
Cary NC 97511-7214 Fax 919.468.5112
Kentucky, N. Carolina, Oklahoma/Arkansas

Bruce Morgan Casner sigmachi@casner.com
Chairman
1332 Independence Av SE Bus 202.543.4600
Washington DC 20003-2365 Fax 202.547.4750
Eastern, Mid Atlantic, Ontario/Quebec

Thomas L. (Tom) Ely, D.O. tely@bellsouth.net
Vice Chairman
2827 Carriage Way Bus 931.221.2278
Clarksville TN 37043 Fax 931.551.1027
Southern Missouri, West Tennessee

Wm. T. (Tommy) Geddings Jr Tommy@geddingslawfirm.com
20 S. Brooks Street Bus 803.435.4770
Manning SC 29102-3110 Fax 803.435.2841
East Tennessee, Georgia, South Carolina

Daniel S. (Dan) Harrop, M.D. danharrop@hotmail.com
PO Box 603364 Bus 401.274.8337
Providence RI 02906-0764 Fax 401.274.1633
North Atlantic, Northwestern NY

Richard E. (Rich) Hronek Hronekfam@centurytel.net
2977 Mapleview Lane Bus 330.606.0827
Avon OH 44011 Fax 330.670.8280
North & South Indiana, North & South Ohio

Scott Parks LeTellier 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, N. & S. California

R. Rip Peterman rip_peterman@compuserve.com
Secretary
3540 Cambie Street, #2B Bus 604.879.5689
Vancouver BC V5Z 2X1 Fax 604.879.5689
Northwestern, Utah/Nevada

H. Scott (Scott) Ross hsross@bellsouth.net
PO Box 1487 Bus 662.494.2593
West Point MS 39773-1487 Fax 662.494.2562
Alabama, S. Florida, Southern

Robert O. (Bob) Schock rschock@yarco.com
12703 Wenonga Lane Bus 816.300.0604
Leawood KS 66209-1630 Fax 816.300.4147
Kansas/Nebraska, North Central, N. Missouri

Harvey A. (Harv) Silverman harveyas@aol.com
Liaison to Grand Praetors
1430 Rosewood Hill Dr. Bus 703.319.8806
Vienna VA 22182-1484 Fax 703.242.7101
Cen. Pennsylvania, E. New York, Connecticut, N. Florida

Edward F. D. (Ed) Spencer, Ph. D. espencer@vt.edu
4005 Tall Oaks Drive Bus 540.231.8069
Blacksburg VA 24060-8114 Fax 540.231.5041
E. Virginia, W. Virginia/W. Pennsylvania, Western Virginia

Richard L. (Rich) Thompson rich@regenesist.net
Newsletter/Technology
PO Box 19605 Bus 503.977.7974
Portland OR 97280 Fax 800.979.2313
The Big Sky, Rocky Mountain, Southwestern

Making First Impressions

There is an old saying "You never get a second chance at a first impression". This is never truer than at the beginning of the school year when major recruitment takes place. Besides organizing informative and fun events for the prospective members, the chapter house needs to be looking its absolute best. Effective cleaning and removal of excess furniture and too long stored goods is a must. Windows, doors, walls and floors should be repaired and spit shined. In a phrase, "Put on the Ritz!" You'll make a good and lasting impression on potential members, their parents, alumni, university officials, the neighbors and the whole community.

Cleaning the Barn. Move in condition of the chapter facilities is often a wildcard. Some chapter houses are relatively well maintained while others "need work" (a lot of work). To attract the best pledges, the facilities should be clean and in good repair. Question: If the chapter house is a pig sty, what kind or pledges will you attract? (Answer: Pigs.) Strive for the best condition that your money and sweat equity can muster.

Rental Agreements. Part of moving back in the chapter house involves the business of landlording. House corporations which administrate owned facilities need to oversee signing of rental agreements and collection of rent and deposits. In chapter owned houses, sometimes rent collection is handled by active chapter and sometimes directly by the house corporation. For privately owned facilities where the landlord is a private investor or the university, the active chapter brothers sign a rental agreement with those entities. Yet, consider that most actives have little

experience in Landlord Tenant law or the intricacies of real estate contracts. They usually appreciate the input from a caring and knowledgeable alumni brother who can assist in rental agreement review. If your chapter house is rented from others, do the active brothers a big favor and lend a hand in the rental process.

Condition of Premises. Whatever condition the facilities are in, a written Condition of Premises should be prepared by an experienced brother or property manager. That list should include a separate list for each bedroom and one for the common areas. A Condition of Premises specific to the bedroom occupied should be provided to each resident. The Condition of Premises for the common areas can be delivered to the Consul. Each one of these documents establishes a benchmark for measuring normal wear and tear which excludes broken windows, holes in the walls and doors and other damage not caused by normal wear and tear. It also documents if there are existing damages so that the tenant won't get blamed for something he didn't do. Upon move out, the Condition of Premises is used to compare move out with move in condition. If warranted, money can be retained from the security deposit.

Security Deposit. A reasonable amount of money should be collected from each tenant to secure payment of the rent and damage to the premises. This should be at least \$200 and more if you can get it. The security deposit may be inadequate to cover what is owed but at least it will help. You can press for formal collection of the balance if necessary.

Rules. A list of reasonable rules should be included in the rental agreement and clearly posted in the House including

prohibitions on in-room appliances, smoking, candles, etc.

Fire & Life Safety. Evacuation routes and emergency procedures should be clearly posted and reviewed at the first active chapter meeting and again at the beginning of each semester. For owned chapter houses, the house corporation should perform at least quarterly inspections accompanied by the House Manager and Consul. Review the fire alarm system, smoke detectors, fire extinguishers, exit signs and emergency lights for proper function. Hallways, stairwells and exits should be clear of obstructions.

Cleaning & Maintenance Inspection. At least every two months, the house corporation should inspect the facilities for cleanliness and repair. In particular, review the kitchen and bathrooms where unclean conditions are a health hazard. Take appropriate action.

Fundraising. With rising cost of operations, many chapters fall way short in rent revenue to address ongoing maintenance and repairs. Fundraising should be part of every house corporation's purpose. Even universities are constantly fundraising. Where do you think all those new dormitories and buildings come from? Fraternities are no exception. Fundraising has many benefits:

- ▶ Provides the money necessary to effect repairs.
- ▶ Provides a sense of higher purpose for the house corporation. Long range planning and execution is much more satisfying than short term crisis management.
- ▶ Creates a volunteer "magnet". Successful brothers like being part of a successful and visionary purpose.
- ▶ Rallies the alumni. Even though many alums don't make it to Homecoming every year, newsletters showing them the good work their donations have facilitated do make a big impact and reinforce the staying power of Sigma Chi.

As you enter the new school year, rally your house corporation to handle the

business of effective chapter house management. Making a great first impression is worth its weight in gold and success breeds success.

Taming the Energy Tiger

Winter weather will soon start spiking energy costs of many chapter houses. Heating chapter houses is always a major bite of the budget. With energy prices at an all time high, proper budgeting and better control of heating costs is essential before the energy tiger pounces on another victim.

In older housing, poor insulation and inefficient or poorly tuned HVAC equipment is often the tiger. In new facilities built to conserve energy, the tiger is the tenant who carelessly leaves doors and windows open.

Fortunately, many states offer energy conservation loans or rebates to help old housing become more energy efficient. These opportunities trigger an "energy audit" to determine where the building needs help. The energy audit is usually arranged through your local power, gas or oil provider. If available, do this first since it will provide a priority list to determine needed upgrades and cost. Most energy upgrades pay for themselves in less than ten years so upgrading is more of an investment than an expense. If your state offers assistance in energy audits, loans and/or rebates RUN don't walk to the phone and investigate the options today.

Here is a handy checklist of things to look for if you are in the self help mode:

- Check doors for proper weatherstripping. Add where needed.
- If windows are single pane, add aluminum storm windows or replace with thermopane windows.
- Close vents in storage areas and other rooms that do not require heat.
- Service the boiler, furnace, or heat pump to assure efficiency, understanding units in poor operation use more fuel and work harder. Replace air filters several times a year.

If the heating or cooling equipment is old and inefficient, investigate modern replacements. The cost is often paid back in a few years by the energy cost savings.


- Use less hot water by installing low flow shower heads. Wash clothes in cold water, Set the hot water heater at 120 degrees.
- Set daytime temperature at 68-70 degrees in the daytime and 62-66 degrees in the evenings. In no circumstance should heat be set lower than 55 during cold winter conditions since pipes can freeze.
- Install a humidistat that automatically controls bathroom ventilation fans based on room humidity. Once humidity is removed, it shuts off so that excess heated air isn't being unnecessarily exhausted as well.
- Keep all exterior doors and windows closed during extreme weather. Install automatic closers on doors to help the process.


Begin the energy conservation process when weather is moderate so that you can enjoy the savings when costs begin to ratchet up. Tame that energy eating tiger.


Deterring Embezzlement

If you serve on a house corporation, don't buy into the notation that brothers don't steal from brothers. It happens more often than you think. While fidelity insurance coverage can cover some of the loss, if the theft is large, the house corporation will be left holding the bag.

What are the common denominators in embezzlement?

 The embezzler has total control over the funds.

 The embezzlement is not discovered for months or years after it starts.

 Once discovered, the board fails to prosecute the embezzler.

✍ The embezzler writes checks to himself and,

✍ Has a debit card for cash withdrawals.

Even in fraternities founded on brotherhood and high values, if checks and balances are not in place, dishonesty will occur. Here are some safeguards every house corporation should have in place to deter embezzlement.

✍ Require dual signatures on checks over a predetermined amount such as \$500. Even though the bank will still cash these checks with only one signature, the house corporation board and particularly the treasurer will know that standard procedure is two signatures.

✍ Appoint another officer to reconcile the bank account each month.

✍ Have an account that prohibits debit card and ATM withdrawals.

✍ Institute online banking so that several officers can review the bank account from time to time. When others are watching, embezzlement is less likely to happen.

✍ Have a CPA conduct a yearly review of the corporation's financial practices.

While none of these measures will completely eliminate a house corporation's exposure to embezzlement, they do provide major deterrents. They also help mitigate the magnitude of a loss by detecting suspicious transactions early on.

Two Buck Donkey

A man name Kenny bought a donkey from an old farmer for \$100. The farmer agreed to deliver the donkey the next day.

But the next day, the farmer called and said, "I have some bad news. The donkey died."

Kenny replied, "Well, just give me my money back."

The farmer said, "Can't do that. I went and spent it already."

Kenny said, "OK, just bring me the donkey."

The farmer asked, "What ya gonna do with him?"

Kenny responded, "I'm going to raffle him off."

The farmer blanched, " You can't raffle off a *dead* donkey!"

Kenny replied coolly, "I just won't tell anybody he's dead."

A month later the farmer ran into Kenny and asked, "What happened with that dead donkey?"

Kenny replied, "I raffled him off. I sold 500 tickets at two bucks a piece and made a \$898 profit."

The farmer asked, "Didn't anyone complain?"

"Just the guy who won. So I gave him his two bucks back."

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.

CCI needs a first or second mortgage and normally requires local alumni or house corporation officers to personally guarantee an aggregate amount up to 20% of the loan, with no one alumnus representing a disproportionate amount of the guarantee.

Do you have a chapter house project that needs funding? Contact the Sigma Chi Director of Housing Chris Moran at chris.moran@sigmachi.org who can assist with the loan application. For more information about Constantine Capital, go to www.sigmachi.org>Members>Housing>Constantine Capital.

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 to the contact information on the cover page.

At Your Service

The Grand Trustees rely on the assistance of Sigma Chi Headquarters staff to process information, provide databases and other necessary administrative tasks. We lean heavily on Chris Moran, Sigma Chi Director of Housing who is invaluable to achieving our goals and purposes. Contact him at:

Sigma Chi Fraternity
1714 Hinman Avenue
Evanston IL 60201

Email: chris.moran@sigmachi.org
Phone: (847) 869-3655 x227
Fax: (847) 869-4906