



The Sig House

A Newsletter from the Board of Grand Trustees

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Think Outside the Box

Some years back when I was a Grand Praetor, one of my chapters badly needed a chapter house but area zoning would not allow for more than four unrelated people living together. Any successful financial model made it clear that they could not afford to have a house under those restrictions. In addition, the chapter was only six years old, had minimal alumni base and no funds.

While driving a few miles off campus one day, I came upon what looked to be a deserted farm house with the land around it gone to wild. There was a sign posted "For Sale by Owner". I inspected the property. It was two miles from campus, fenced and had two acres with a small pond on it.

The house looked like something from the mid 1800s with an unfinished addition which looked like it was to be a large garage. I contacted the owner and found that the property was still for sale and included the family home which was completed in 1855. The owner had tried to turn it into a gas station and repair facility but ran out of funds year before leaving it unfinished. The family just wanted to sell it in its unfinished condition. The price for the two acres and house was much lower than one would expect for real estate in that area.

I asked if the sellers would be willing to finance the purchase and subordinate their loan to a construction loan to finish the structure as a residential dwelling. The seller was anxious to move the property and agreed.

I then formed the local alumni from several different chapters into a house corporation. The alumni agreed to

commit personal guarantees of a few thousand each and construction began.

I entered into negotiations with the president of the university offering an alcohol-free fraternity house near his campus for his students in exchange for his support to back my bid to obtain a zoning variance allowing up to 14 men to live there. The number needed to make the financial model work was 9. I went to chapter and obtained their commitment to fill the house and keep it an alcohol free facility.

The level of excitement was amazing. Hundreds of hours of alumni and undergraduate time were spent clearing the lot, hauling away debris, painting and taking on the tasks that left the builder nothing to do but finish the house. The house allowed for several single rooms, four full bath rooms, a kitchen, a pool room and a chapter room the size of the three car garage.

Everyone involved took great pride in the work which was accomplished in less than one year from the time I saw the "for sale" sign. Provisional approval for the zoning was granted by the county government with the big push from the president of the university. The house was completed without the expenditure of a single dollar from any undergraduate and less than a \$1,000 from the alums.

The task of furnishing the house was accomplished by my contacting a local furniture liquidator. His warehouse was bulging at the seams with desks, tables, couches, chairs, lamps and all the other furniture one might want to furnish a fraternity house. I offered to receive his tax deductible donation to our 501(c)(3) corporation and sent the undergrads to his business with trucks to pick it up.

The only thing missing were beds and we left that to the undergrads to furnish for themselves.

There we were with a beautiful new house, far and away the finest of any other Greek housing in the area, with the blessing of the university, great publicity on local TV for having an alcohol-free commitment from the students and alumni, and the possibility of selling off half of the land to an interested sorority who wished to build their dream house right next door. This sale would pay off the loan on the chapter house. We were leading the way to a Greek Village as other land around us was also for sale. The house was dedicated and the chapter moved in, again without any significant funds having been expended.

This story illustrates that thinking outside of the box coupled with some luck can provide some significant opportunities when alumni put their minds to it. Opportunity abounds for those that are paying attention.

By Grand Trustee Harvey Silverman

2009 HCOTS

The Board of Grand Trustees hosted 2009 House Corporation Officers Training Seminar (HCOTS) in conjunction with the Balfour Leadership Training Workshop (BLTW) at the University of North Carolina in Chapel Hill NC on July 30th to August 1st.

Twenty eight house corporation officers learned about Grass Roots and Major Fundraising, Corporate Governance, Risk Management, and The Millennial Student. There were three break out sessions to address specific issues and solutions brought to the table by attendees. Most of the event was paid for by Sigma Chi. Some of the attendee comments received were:

“HCOTS was great. Lots of great ideas. The energy and enthusiasm was contagious.” *Dave Train*

“Thank you for a great program and informative HCOTS. Each session provided us with a program overview, specific points to consider and ideas for improvement that we can take back to

our houses and implement over time.”
Joe Frueh

“We have already started putting the information to use.” *Alan Simmons*

“Coming from a young chapter, we do not have the alumni base nor the experience to handle many of the challenges that come our way. However knowing there is extensive information and guidance available through the Grand Trustees gives me confidence and excitement for the future!” *Brandon Warner*

“Thank you all for all the great advice, training and brotherhood at HCOTS! I am no longer afraid of being a part of our house corporation.” *Michael Hsu*

“The program was well planned, informative and balanced for the many needs and questions that our house corporation has. I have renewed my commitment to the chapter and to the brotherhood at large. It is gratifying to know that the Grand Trustees are committed to help our brothers achieve chapter housing that is attractive, affordable and safe.” *Jeff Francis*

The 2010 HCOTS is already in the planning stages. If your house corporation president is interested in attending next year, email Grand Trustee Chairman Rich Thompson at rich@regensis.net and request to be put on the list.

House Corporation Funding Resource

National Society for the Preservation of Greek Housing (NSPGH) was formed as a 501(c)(3) foundation to assist in the preservation, renovation and restoration of historically certified or significant chapter houses. For qualified historical properties, the Society can collect tax deductible donations on behalf of a chapter and grant the funds back less administrative fees to be used for renovation work. Grants are awarded based upon health and safety code requirements, major structural restoration, interior or exterior restoration and mechanical/electrical system replacement.

NSPGH has awarded over \$6 Million in grants since 1988. All renovation work must follow the *Secretary of the Interior's Standards for Rehabilitation* which includes:

- Restoration of building facade or roof
- Rehabilitation of public spaces
- Sprinkler and alarm systems
- Bathroom renovations
- Kitchen fire suppression equipment
- Boilers and heating systems
- Enclosed egress stairways
- Authenticated landscape restoration
- Porch and patio restoration

Grants would *typically not* be awarded for:

- Movable furniture, equipment, carpets, etc.
- Kitchen appliances and cabinets
- Air conditioning unless the house originally had air conditioning
- Housing or Recreational Additions
- Aluminum or non-historic replacement windows
- Parking lots

If your house corporation has a historically significant house and is looking for funding and renovation guidance, check into the resources offered by **National Society for the Preservation of Greek Housing** at www.spgh-foundation.org or contact Sigma Chi brother Rodney D. Reid, AIA at 217-390-7403 or rod.reid@comcast.net

2009 Outstanding House Corporation Awards

This year, we received a record 38 applications for this prestigious award from the Board of Grand Trustees. Applicants were awarded one point each for following best practices:

1. Minimum 5 member board
2. Minimum 2 board meetings a year
3. Current with incorporation
4. Written bylaws
5. Written rental agreement
6. Reviews insurance annually
7. Has major repairs plan
8. Minimum 2 newsletters a year
9. Written housing policies
10. Maintains a website

Congratulations to the following house corporations which met the Outstanding House Corporation Award criteria by receiving a score of eight or more:

[University of Washington](#)
[Penn State University](#)
[Stanford University](#)
[University of Montana](#)
[Purdue University](#)
[Rensselaer Polytechnic Institute](#)
[Bradley University](#)
[San Jose State University](#)
[University of Alabama](#)
[Wilfred Laurier University](#)
[University of Dayton](#)
[Syracuse University](#)
[University of Waterloo](#)
[University of Michigan](#)
[University of Memphis](#)
[Stephen F. Austin University](#)
[Oklahoma State University](#)
[Western Michigan University](#)

Connecting Points

Being a member of an organization like Sigma Chi that emphasizes “life long commitment” is an anomaly in a transient world. Those men that heeded that call enjoy the fruits of life long friendships and business relationships that are the envy of those that didn’t. This life long benefit doesn’t happen by accident. Sigma Chi teaches principles upon which to build mature and healthy relationships.

However, as life experiences steer brothers in various directions, fraternal connections can be strained and broken by time and distance. The busy-ness of career and family can crowd out brotherhood. But for most, these are only temporary conflicts. As brothers grow older, many find an urge to reconnect with fraternal relationships that were started long ago. Time brings richer meaning to college experiences and the friendships planted there.

House corporations are a natural mechanism to help provide these connecting points the brothers seek.

While the house corp’s main purpose is to maintain the chapter house in safe and livable condition for the actives, it can’t be done without the support and contributions from loyal alums. To ensure the greatest success, every house corp needs to develop a comprehensive contact list of all chapter alums. That contact information should include email addresses since 90% of the brothers have them. Communicating by email is efficient and free.

Sigma Chi Headquarters can assist with the process by providing the chapter contacts it has. Checking address accuracy with www.whitepages.com should be the next step. WhitePages.com also provides phone numbers which can be used to garner email addresses. Getting email addresses cannot be understated. Paper newsletters are very expensive to produce and mail. The same newsletter can be emailed for free in PDF (Portable Document Format). Email can save thousands of dollars that would be better spent on chapter house renovation or scholarships. Even if you have to hire someone to do the database work, it will pay off big time over the years as fund raisers are developed and launched.

And one of the side benefits of this contact information is that it can be posted on the chapter/house corp’s website so that the brothers can reconnect with each other. When these connections are made, they often lead to a reunion at homecoming and the chapter house. It’s like playing “connect the dots”.

501(c)(3) Approval Assistance

When it comes to raising funds for chapter house construction and renovation, having the ability to provide tax deductibility to the donors can be a great incentive and 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. One criteria that seems to pass muster includes chapter houses that are historically significant. “Historically significant” generally refers to a classic style of architecture or being built in an historically important location.

501(c)(3) status is also available to house corporations which wish to raise money for educational purposes such as scholarships and/or to build or renovate areas in the chapter house that serve an educational purpose.

Sigma Chi is blessed with a number of brothers that have personal experience and success in getting 501(c)(3) approval for qualified properties. A **501(c)(3) Committee** has been appointed by the Chairman of Board of Grand Trustees to assist Sigma Chi house corporations that believe their chapter house may qualified for 501(c)(3) tax status. Brothers appointed to this committee:

Bruce Morgan Casner	<i>Grand Trustee</i>
Tony Flores	<i>Grand Trustee</i>
Dan Cederberg	<i>Attorney</i>
Walt Kero	<i>CPA</i>
Rod Reid	<i>Architect</i>

If your house corporation is interested in learning more about the 501(c)(3) opportunity, contact Committee Chairman Bruce Morgan Casner at sigmachi@casner.com or Phone 202.543.4600.

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** has served 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 www.TheSigHouse.org

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 a great alternative for funding chapter house fire and 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 > 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.

Grand Trustee Province Assignments

Grand Trustee elections were recently held at 2009 Grand Chapter in Charleston SC. Elected to office were **Harv Silverman** of Vienna VA, **Tommy Geddings** of Manning SC, **Bill Bowlin** of Houston TX, **Steve Schuyler** of Tucson AZ and **John Watson** of Vancouver Canada. Grand Chapter also approved three additional positions to the Board of Grand Trustees for a total of eighteen. Following Grand Chapter, **Grand Consul Wayne Tucker** appointed three Grand Trustees to those new positions: **John “Tony” Flores** of Fresno CA, **Bill Robinson** of Naples FL and **Chad Ward** of Carrollton TX. Congratulations to these brothers for their willingness to serve the

needs of Sigma Chi house corporations.

Due to new chapter expansion over the past two years, new provinces have been created which affect Grand Trustee province assignments. The goal is to assign provinces which are easiest for the assigned Grand Trustee to serve geographically. But due to the size of certain provinces and the home state of elected Grand Trustee, this is not always possible. The good news is that the Grand Trustees are a cooperative body and share duties across province lines as needed. Please refer to Page One of **The Sig House** for a list of Grand Trustees, their contact information and current province assignments.

Here to Serve

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 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.

