



The Sig House

A Newsletter from the Board of Grand Trustees

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John Watson (2015) John.Watson@sigmachi.com
(Canada) Ph 604.277.7028

California Bay Area, North Central

Key Chapter House Design Features

House corporations often engage fund raising to renovate, to purchase or construct a chapter house. Fund needs range from a couple hundred thousand to millions of dollars. In the decision making process, a number of chapter house features should be considered. Some are mandatory, some are desirable and all cost money.

Mandatory Design Features

- **Americans with Disability Act (ADA) Compliant.** This includes ramps, elevators, bathrooms and more.

- **Fire Safety Systems.** For safety, liability and insurance purposes, all chapter houses should have monitored smoke and fire detection systems. Sigma Chi's Risk Management Foundation www.rmfeeducation.org can assist with guidelines. Sigma Chi's Constantine Capital Inc. <http://www.sigmachi.org/constantine-capital-inc> can provide financing alternatives.

- **Dedicated Study Space.** Providing study areas that are properly furnished, quiet and internet connected is extremely important. "Quiet" does not mean soundproof although that would help. Having mandatory quiet hours makes quiet more achievable.

- **Wireless Internet.** While internet used to be a luxury, it is now academically essential since virtually all college courses require it. The wireless system needs to be robust and scalable (read "large bandwidth") to accommodate the number of chapter house residents which each have a computer. Those same residents play video games which command massive bandwidth.

- **Industrial Strength Electrical Service.** Each brother typically has a dozen or more electrical devices which put huge demands on outdated electrical infrastructure. Having the electrical capacity to handle this load is essential.

- **Security Systems.** Most chapter houses have entry access control like intercom systems and magnetic card or push button door lock controls. The door lock systems often extend to individual bedrooms to protect personal property. There are also security cameras to consider. Cameras, however, are often problematic if unauthorized activity takes place under the cloak of darkness or the perpetrators conceal their faces (often the case). As the saying goes "locks keep your friends out" and the weakest security link is residents who compromise security by propping doors open or leaving windows unlocked.

- **Curb Appeal.** Sigma Chi should recruit men who are proud of the chapter house. This means having a house that impresses friends, family and potential brothers. Once the design is in place, hire a professional landscaper and janitorial service in place to keep it looking curb appeal ready.

- **Off-Street Parking.** Parking is a major issue with neighbors. Provide adequate off-street parking to avoid the inevitable complaints.

Desirable Design Features

- **Live-in House Director.** More chapters are providing an experienced onsite person (male or female) to assist in budgeting, maintenance oversight, food service management, academic mentoring and other tasks assigned. This requires separate living quarters.

- **Provide Suite-Type Bedrooms.** Suites include 2-4 bedrooms connected to a shared bathroom facility.

• **Provide Single Bed Options.** Current brothers are used to and many can afford a single room. Charge extra and/or provide a seniority system that makes such available.

• **Individually Controlled Heating and Air Conditioning.** Ductless heating systems allow hotel like wall systems that can be controlled by bedroom. Central HVAC systems should provide for balanced zone control.

• **Brother Recognition.** Provide wall space or a dedicated room for both active and alum recognition (plaques, trophies, certificates, pictures, etc.).

• **Active Chapter Room.** A dedicated room to hold chapter meetings and initiations is desirable although a multi-use room like a dining room can suffice when secure ritual regalia storage is provided.

• **Patios & Decks.** Tanning and barbecuing are favorite past times. Having a venue for that should be properly oriented and fire resistant.

• **Kitchen & Food Service.** Meals provide a necessary function and a focal point for the brothers to eat and create life long bonds. If running a kitchen operation is not financially feasible, consider a catering alternative using the college or another fraternity or sorority that has food service.

Educational Purpose Design Features. The IRS recognizes the following for tax deductible donation purposes based on square footage:

- Library
- Internet Equipment Room
- Group and Individual Study Rooms
- Educational Storage
- Drafting/Graphic Arts
- Computer Room
- Educational Operation Costs

Educational Scholarship Fund Raising. To provide chapter scholarships and a method to collect tax deductible donations, there are three options:

1. Local Educational Foundation. Requires proper set-up by a knowledgeable accountant and/or

attorney, IRS approval and detailed annual tax filing.

2. National Foundation. Sigma Chi Foundation foundation.sigmachi.org can accept scholarship donations and provide tax receipts on behalf of the chapter. Funds are invested on the chapter's behalf in RMF investment pool.

3. University Foundation. All universities have a foundation which could be used by the chapter to bank and manage scholarship donations. Funds are invested on your chapter's behalf. Expect to pay a management fee.

Chapter house design takes careful thought, planning and money. Since the design and funding process is often driven by brothers who lived under the old chapter house model (high density bedrooms, fewer cars, low electricity needs, more common area), it's very important to involve professionals who deal with modern housing designs and take their recommendations seriously. University housing is much more luxurious than in the past and chapter houses need to stay competitive. There are a number of firms that specialize in chapter house fund raising and design in the House Corporation Service Directory for options. **IHSV**

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" 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 out-of-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 developed. Examples: "My next

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 the chapter.

Suspension or Exclusion 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 house corp. The house corp is a landlord and should limit its actions to violations of the rental agreement. *For sample rental agreements, see www.TheSigHouse.org Articles 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**

House Corporation: More Than a Name

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 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

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

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 a brand new board doesn't need to make the same mistakes all over again.

4. Perform Annual Reporting. Most 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.

5. File Annual Tax Returns. 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 board should not exceed authority 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. However, it is recommended that each director also carry a personal umbrella liability insurance to protect himself while serving on a 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-tenant.

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

11. 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.

12. Volunteer and encourage others 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**

HCOTS 2013

Every year, the Board of Grand Trustees hosts House Corporation Officers Training Seminar (HCOTS) in conjunction with Balfour Leadership Training Workshop. This year, the dates are July 31 - August 4 and the event will take place at Purdue University in West Lafayette Indiana.

HCOTS attendees will learn the nuts and bolts of running an effective house corporation and rekindle brotherhood with undergrads and alums from across the nation.

To qualify for HCOTS, your house corporation must have submitted a 2013 Annual Report, you must be a first time attendee and a board officer (President, Vice President, Treasurer or Secretary). Sigma Chi pays for travel, housing and food. Applications will be distributed by email during May. If you want to be put on the Priority Wait List, email rich.thompson@sigmachi.com

House Corporation Resource Directory

ARCHITECTURAL & PLANNING SERVICES

Aynesworth Architects & Consultants 512.328.2272
G. Tim Aynesworth tim@aynesworth.com
PO Box 161434, Austin TX 78716 www.aynesworth.com
Architectural design and construction management.
Texas Registered Architect, Certified by National Council of Architectural Registration Board.

Hug & Associates, LLC 678.297.2929
Mike Hug mhug@HugArchitects.com
3010 Royal Boulevard South, Suite 250
Alpharetta GA 30022 www.HugArchitects.com
Specializing in the design and renovation of fraternity housing.

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 HOUSING DEVELOPMENT

Pierce Education Properties, L.P. 619.297.0400
Matt Maruccia, VP for Acquisitions
www.PierceEducationProperties.com National developers, buyers, owners and operators of student housing with specific expertise in Greek Housing acquisition, disposition, development, finance, etc.

CHAPTER HOUSE FINANCING

Constantine Capital, Inc. 816.300.0604
Tom Burton tom.burton@abrealty.com
Bob Schock robert.schock.zo@sigmachi.com
Affordable financing to Sigma Chi house corporations for chapter house purchase, life & safety upgrades, new construction, renovation and loan guaranty

CHAPTER HOUSE RENOVATION & DESIGN

LAUNCH Interior Design 916.660.9856
David Leinberger **C 916.769.2464**
launch@starstream.net www.launchinteriordesign.com
New construction and renovation for cost effective and efficient design selections including paint colors, furniture, lighting, window & floor coverings and more.

FINANCIAL & DATABASE MANAGEMENT

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

OmegaFi www.omegafi.com 800.276.6342
Chapter and alumni management tools to bill and collect dues and rent, manage rosters and records, pay bills and employees and file tax returns.

FOOD SERVICES

Campus Cooks 847.309.1859
William Reeder wreeder@campuscooks.com
Comprehensive program: on-site cook plus management of staffing, payroll, food and supply ordering, menu preparation. www.campuscooks.com

Culinary Consultants Purchasing Services
Stan Faulkner Support@infoccps.com 314.422.3407
Brian Heider www.infoccps.com 847.566.7533
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Gill Grilling
Brian Gill brian@gillgrilling.com **443.822.0264**
www.gillgrilling.com Equipment consultation & purchasing, Nutritional analysis, payroll, custom menus. Serving Maryland, Massachusetts & Alabama.

Greek Kitchen Management 623.565.8289
Justin Rolnick info@greekkitchenmanagement.com
www.greekkitchenmanagement.com Kitchen management program: staffing, ordering and food preparation. Cleaning products: cleaning chemicals, supplies & paper goods

FLOORING

The Carpet Company 541.484.5373
Daryl Egbert C 541.517.8820
daryle@thecarpetcompany.biz www.thecarpetcompany.biz
All major brands of commercial and residential flooring.

FUNDRAISING & COMMUNICATION

Affinity Connection 814.237.0481 ext 131
Greg Woodman greg@affinityconnection.com
www.affinityconnection.com Database management, website hosting/management, newsletter production, e-newsletters, fundraising assistance, donation processing

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

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

The Laurus Group 770.903.3987
Bill Paris bparis@thelaurusgroup.net C 404.441.9630
www.thelaurusgroup.net Fundraising consulting specializing in capital campaigns, gift management, alumni communications, annual funds

HOUSE DIRECTOR SEARCH & SCREENING

Greek House Resource 512.836.7176
greekhs@gmail.com www.greekhouse.net
Screen, interview and placement for chapter house directors.

INCORPORATION ASSISTANCE

Grand Trustee Harvey Silverman 703.319.8806
harveyas@aol.com

*Do you provide a product or service for Sigma Chi Fraternity chapter houses? Get listed in The Sig House Resource Directory! Email rich.thompson@sigmachi.com **IHSV***

Here to Serve

The Board of Grand Trustees is available to assist house corporations in a myriad of ways. The eighteen Grand Trustees have over *700 years of combined professional expertise* in areas like property management, project administration, politics, maintenance, renovation, insurance, tax planning, accounting, construction, fund raising, legal, education, housing, risk management and more. Contact information is listed on Page 1 and www.TheSigHouse.org. Give us a try.



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