



# The Sig House

*A Newsletter from the Board of Grand Trustees*

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Arizona, New Mexico, Utah, Nevada Ph 650.727.2533

## 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 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 fund plan 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 rent 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 than 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 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. **IHSV**

## We're Here to Help

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 such as real estate development, property management, project administration, politics, house maintenance and renovation, insurance, tax planning, accounting, construction, fund raising, legal, education, financing, 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. **IHSV**

# Fostering a Culture of Safety and Responsibility

## Risk Management Foundation Provides

- Educational Resources
- Risk Management Services
- Insurance Services
- Guidance for Undergraduates, Chapter Officers, House Corporations, and Alumni Advisors



Risk Management Foundation

Education • Prevention • Preservation

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

*Let Us Help You Today!*

## Sigma Chi Fraternity's



Affordable financing options up to \$250,000 for Sigma Chi house corporations that own chapter houses

- Chapter House Purchase
- Life & Fire Safety Upgrades
- New Construction
- Renovation



*Ritual Regalia Loans up to \$5000*



For more information, contact  
Ed Rammrath  
[eramrath@rammrathrealty.com](mailto:eramrath@rammrathrealty.com)  
Phone 832.483.8676



## Alumni Engagement Initiative Report

The Board of Grand Trustees has been tasked with improving Sigma Chi alumni participation by way of the **Alumni Engagement Initiative (AEI)**. To that end, A multi-phase strategy has been developed.

Phase 1 identified alumni groups in these categories:

1. Existing groups that have low participation or need help getting back on track
2. Inactive groups that need to be restarted
3. University town groups
4. Potential locations for new groups in the 50 states, Canada and other countries. We have identified over 1500 potential groups across the 50 states. We have two groups in the United Kingdom, one in Holland, one in Singapore, one in Ethiopia and the Manila Alumni Chapter.
5. Virtual groups (like Facebook) that should officially register to be listed in The Magazine of Sigma Chi.

Phase 2 involves several areas:

1. Follow up with chapter town alumni group voids. House corporations are encouraged to assist in forming alumni groups in their chapter locations.
2. Identify towns that have clusters of Sigma Chis that don't know each other even though they may attend the same church, play at the same golf course, etc.
3. Engage more participation in large cities using a "hub and spoke" concept: one main alumni group with several sub-groups that meet in different locations, times and/or events like happy hours, holiday events, tailgate parties, etc.
4. Evaluate progress with Phase 1 targets and assist them with resources.

We expect to have over 109 working alumni groups by July 1, 2018. I hope this will spark your desire to get involved or spearhead a new alumni group. Let me know how I can help.

Bill Robinson [warmco@aol.com](mailto:warmco@aol.com)  
Grand Trustee & AEI Coordinator IHSV

## Ask the Grand Trustee

**Q** Our chapter does not own a chapter house. The officers of Active Chapter have made arrangements to rent a house from a private party. Should a house corporation be involved in this arrangement?

**A** Yes. The legal ramifications of rental agreements are beyond the understanding of most undergraduate brothers. House corporations provide the kind of continuity and stability to chapter housing that is simply not possible by undergrads that come and go. Whether the chapter owns or rents a house, a properly formed and incorporated house corporation should act on behalf of the active chapter in housing matters.

**Q** Our house corporation board of seven includes the Province Grand Praetor, the Chapter Advisor and the Consul. Is this acceptable?

**A** The last three members should not serve on a house corporation board. These brothers are elected or appointed to advise or administer the Active Chapter operations while the house corporation is charged with managing, owning and/or renting chapter housing. There is a potential link to the general fraternity when Grand Praetors and Chapter Advisors serve on the board. This could bring liability to the general fraternity which could be costly to defend. However, there is nothing wrong with these officers attending house corporation meetings and advising the board.

The house corporation is a separate legal entity apart from the fraternity and its Active Chapter. It exists to own or lease property and manage it for the benefit of the Active Chapter tenants. A house corporation should not be involved with the Active Chapter operations except to collect the rent and provide safe and adequate housing.

In some instances, a properly formed and maintained house corporation may be established to raise funds to purchase or build a chapter house in the future. Still, it should not deal with active chapter operations. That is the role of the Grand Praetor, the Chapter Advisor, Active Chapter officers and an alumni advisory group.

**Q** Our house corporation would like to explore options for tax deductible fund raising. Who can help us?

**A** Having the ability to offer tax deductibility to donors can be a great incentive to increase levels of giving. Unfortunately, the tax deductibility afforded by a 501(c)(3) tax status must be approved by the IRS and has strict guidelines on what kind of non-profit corporations qualify.

For more information on tax deductible donation options, contact [rich.thompson@sigmachi.com](mailto:rich.thompson@sigmachi.com) IHSV

## CCI Corner

Constantine Capital Inc. (CCI) is Sigma Chi's mortgage lender for qualified house corporations. It can finance a variety of renovation and upgrade projects up to \$250,000 such as:

- ◆ Chapter House Purchase
- ◆ Life & Safety Upgrades
- ◆ New Construction
- ◆ Renovation Projects, and
- ◆ Loan Guaranty

CCI's current requests, approved or approved loans:

**Kent State** (closed) \$130,000  
Kitchen and exterior renovations

**St. Thomas** (approved) \$60,000  
Renovation

**Fort Hays** (request) \$200,000  
New house bridge loan

Does your house corporation have a chapter house financing needs? Contact Chair Ed Rammrath at Ph 832.483.8676 or [eramrath@rammrathrealty.com](mailto:eramrath@rammrathrealty.com) IHSV

## 2018 Outstanding House Corporation Awards

Each year, the Board of Grand Trustees honors Sigma Chi house corporations that demonstrate superior business practices in these 15 areas:

1. Minimum of 3 board members
2. Minimum of 2 board meetings a year
3. Have written bylaws.
4. Current with state/province annual reporting requirements.
5. House corp funds are segregated from chapter funds.
6. Have a written rental agreement for each tenant.
7. Charge each tenant a security deposit.
8. Have regular janitorial service.
9. Have and fund a plan for repairing/replacing major building components.
10. Have a fire sprinkler system.
11. Have a property manager.
12. Publish at least 2 newsletters per year.
13. Maintain an alumni database.
14. Maintain a website.
15. Have an active fund raising

campaign.

This year, a record 72 house corporations submitted applications for this prestigious award. The winners listed alphabetically are (drum roll please):

### **Gold Award** (20-25 POINTS)

Albion College  
Bradley University  
California State University-Fresno  
Central Michigan University  
Clarkson University  
Cornell University  
DePauw University  
Eastern Illinois University  
Embry Riddle - Daytona Beach  
Indiana University  
Indiana University of Pennsylvania  
Kansas State University  
Kettering University  
Miami University  
Mississippi State  
Missouri State University  
Montana State University  
Murray State University  
Ohio State University  
Oklahoma State University  
Penn State University  
Princeton University  
Purdue University  
Rensselaer Polytechnic Institute  
Sam Houston State University  
Southern Methodist University  
Stanford University  
Stephen F. Austin University  
Syracuse University  
Texas A&M University-Commerce  
The George Washington University  
University of Alabama  
University of Arizona  
University of British Columbia  
University of California - Berkeley  
University of Central Florida  
University of Cincinnati  
University of Denver  
University of Illinois  
University of Kansas  
University of Maryland  
University of Memphis  
University of Minnesota  
University of Missouri  
University of Montana  
University of North Carolina-Chapel Hill  
University of Rhode Island  
University of South Alabama  
University of Southern California  
University of Texas - Arlington  
University of Texas - Austin  
University of Virginia  
University of Washington  
University of Wyoming  
Virginia Polytechnic Institute  
Western Illinois University

### **Blue Award** (15-19 POINTS)

East Tennessee State University  
Fort Hays State University  
Georgia Institute of Technology  
Massachusetts Institute of Technology  
McGill University  
San Jose State  
Tulane University  
University of Arkansas  
University of North Alabama  
University of Rochester  
University of St. Thomas  
University of Tulsa  
Western Michigan University

### **Honorable Mention** (< 15 POINTS)

Northwestern University  
Texas Tech University  
Vanderbilt University

Congratulations to these hard working and effective house corporation volunteers. **HSV**

### **How Much Rent to Charge**

An ongoing challenge for a house corporation is how to determine the proper rent level for the chapter house and individual brothers that live there. There are several issues that must be considered:

**Market Forces.** The chapter house is one of several housing alternatives available to members and prospective members such as:

**a. Campus Housing.** The university can be a significant competitor since the states and provinces provide taxpayer money or fund raising mechanisms that are not generally available to most house corporations. In addition, many universities require freshmen to live in campus housing to ensure occupancy.

**b. Private Rental Competition.** Apartments, houses and condominiums are available in various price points, locations and condition with the ones closest to campus commanding higher rents. Chapter houses that have a close proximity to campus have an advantage over most of private rental market.

**c. The Folk's Place.** For local students, their parents' place can be daunting competition. And when the folks are paying college expenses, living at home may not be optional. However, Active Chapter can control the obligation for all members (even locals) to fulfill a live in obligation of so many

quarters/semesters. Of course, local parents have to be supportive of this obligation to make it work. To protect the viability of the chapter house operation, this obligation and expectation should always exist. If a prospective member is unable or unwilling to live in, he should not be recruited.

**The Shrinking Chapter House.** Most active brothers are now unwilling to share a bedroom with other brothers. The post World War II days of six or more to a room are gone. Most brothers today had their own room growing up, have lots of expensive personal property and want a way to secure it and their privacy. For older chapter houses with mostly multiple occupancy rooms, it means renting the same space to half the number of occupants. Modern rentals take this into consideration by providing private rooms which share a small common area, bathroom and kitchen (cluster floor plans).

This lifestyle change has profound implications on older chapter houses which have few single bedrooms and extensive common area which is lightly used. In these cases, the house corporation should explore ways to subdivide unused common areas larger bedrooms.

If your house corporation is contemplating building a new chapter house, the Board of Grand Trustees can assist with design principles that provide the kind of quarters today's brothers are looking for. While you personally may have fond memories of the bunk bed living of the 1960s, pay heed to the housing requirements for the new millennium brothers.

**Cheaper Than Market Rent.** Some house corporations set rent just high enough to meet current operating expenses (minor repairs, insurance, taxes, loan payments, etc.) Lower than market rent may delight the active brothers who can use the savings for "soap and things" but keep in mind:

1. Collecting all the rent is often a challenge so having an extra margin is always a good strategy.
2. These particular tenants wear the

place out much faster than the average tenant so there will more frequent and substantial costs that must be planned for like painting, flooring, furniture, roofing, plumbing, electrical and on and on. If part of the rent is not earmarked for these expensive future repairs, the house corporation must either borrow or fund raise to pay for them. Both of these alternatives come with their own set of challenges so if your house corporation operating expenses are lower than competitive market rent, charge market rent and put the extra into a reserve fund. You will be very glad you did.

**How to Determine the Rent.** Generally, the first place to start in determining chapter house rent is with your biggest competitor, the university. University housing information is easily available online at their website. Pricing is usually quoted by single or double room plus food plans which is helpful for chapter houses that provide a food plan. You typically do not want to exceed campus pricing since there is often substantial pressure by the university to hold students there with various incentives which the chapter house can't compete with. And take note of the two tiered pricing if your chapter house has single and multiple occupancy bedrooms. Offering lower rent for group rooms will help fill them.

When analyzing the private market rental option, inquire with one or more rental management companies that rent to college students. They should have a variety of options available for comparative purposes.

With this market information in hand, decide on a rent level that is competitive, not cheap. Membership in Sigma Chi should never be based on cheapness, but value. If Sigma Chi has little value to a prospective member, that man should not be recruited. By the same token, the house corporation should insist that all prospective members be educated about their financial obligation to the local chapter house. Before pledging, each prospective member and his parents should be provided a written summary of those obligations so there is no misunderstanding of expectations. The house corporation should assist Active Chapter in producing and distributing

this information for consistency.

Financial accountability is the mark of a mature man, the kind that Sigma Chi strives for. The house corporation should do its part to capture as much rent as possible to properly sustain the chapter house and teach active brothers about what it takes to pay for it.

## 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  
5250 Avalon Blvd  
Alpharetta GA 30009 www.HugArchitects.com  
Specializing in the design and renovation of fraternity housing.

**Reifsteck Reid & Company Architects** 217.351.4100  
Rod Reid rreid@rr-arch.com  
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.** 832.483.8676  
Ed Rammrath erammrath@rammrathrealty.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

**College Chefs**  
Jordan Wigton jwigton@collegechefs.com 217.369.7267  
www.collegechefs.com We provide trained professional chefs to prepare delicious meals and maintain a spotless kitchen.

**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.

**Gill Grilling** 443.822.0264  
Brian Gill brian@gillgrilling.com  
www.gillgrilling.com Equipment consultation & purchasing, Nutritional analysis, payroll, custom menus. Serving Maryland, Massachusetts & Alabama.

**Greek Kitchen Management** 623.428.0496  
Amy Poklinkoski amy@greekkitchenmanagement.com  
www.greekkitchenmanagement.com  
Kitchen management company specializing in staffing, high quality food preparation, food allergy accommodations and exceptional customer service

### 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, enewsletters, fundraising assistance, donation processing

**Member Planet** 888.298.8845  
Patrick Terrian C 310.590.4413  
pterrian@memberplanet.com www.memberplanet.com  
Email newsletters and text messaging, chapter websites, member database, donation sites.

**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** 361.450.0818  
greekhs@gmail.com www.greekhouse.net  
Screen, interview and placement for chapter house directors.

*Do you offer a service for Sigma Chi house corporations? Email rich.thompson@sigmachicago.com with the details and get listed in the Service Directory.*



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Missing: Rick Lewandowski, Clyde Dornier, Ted Pitt, Jim Carroll

