

The Seven Habits of Highly Successful House Corporations

The Indiana Zeta Alumni Corporation is composed of a ten person (nine alumni and one active chapter) board of directors that owns the chapter house and oversees it and the active chapter. We do not maintain separate House Corporation and Alumni Advisory Board; the Alumni Board of Directors serves both purposes.

1. Operate like a business

- Alumni Leadership
 - Alumni Board is composed of 9 alumni members from a variety of classes.
 - Elect 3 new directors each year for three year terms. In practice, most board members serve multiple terms.
- Property Management
 - Board is responsible for, long range planning, capital projects, annual cleaning and emergencies
 - Chapter is responsible for day to day upkeep and minor maintenance
 - No formal agreement specifying roles
- House Rules
 - If any, maintained by active chapter. Alumni board provides suggestions and does specify some absolutes in housing contracts.
- Meet as a Board Quarterly
 - Due to desire for geographic diversity on the board and personal transportation costs for quarterly meetings, we cut back to three formal board meetings a year.
 - Executive Committee of four elected officers and Alumni Maintenance Director established and empowered to conduct day-to day duties.
 - Extensive e-mail correspondence and occasional teleconferences among all board members insure board members are aware of major issues and that opinions are expressed and obtained.
- Recruit New Volunteers Every Few Years
 - E-mail and newsletter solicitation for new members occurs annually
- Follow a 5-Year Plan
 - Joint active chapter/alumni strategic plan signed in Sep 2005. Have largely been tracking to it.
 - Building Master plan agreed on in 2006
 - Joint Alumni- Active Chapter Academic Incentive Plan approved and implemented but lacks financial resources for yearly rewards.
- Resources On Website
 - Board composition and biographies were placed on public website (being revised)

- Alumni Board meetings and other important documentation are available to all alumni on a private web site
 - **Beat Your Competition**
 - Strategic plan compares us to other Purdue fraternities on annual cost, occupancy and academic achievement basis. We lag average Purdue fraternity in occupancy rate, are average in cost and at the wrong end of the academic performance spectrum.
 - Recent rush analyses developed to compare our chapter performance to Greek wide system performance; tells us if we are getting “our share.”
 - Purdue publishes our academic performance compared to Greek system and individual fraternities.
 - **Have Fun**
 - Annual golf outing, dinner and tailgater at Homecoming for all alumni.
 - Out of town board members usually “dine and wine” night before Board meetings.
 - Board participated in a rush lunch several years ago after board meeting.
 - Biennial Quo Vadis attempts to include a joint social activity.
 - **Open Communication**
 - Use e-mail, web sites and teleconference calls. Much better than several years ago
2. **Execute a Master Lease and Individual Leases**
 - **Officers Sign For Chapter Use Each Year**
 - Do not have a formal Master Lease with active chapter. Alumni Rent built into chapter budget; set in consultation with active treasurer and is based on ability to pay (manning).
 - **Chapter Secures Signed Lease by All Renters.**
 - Individual housing contracts are signed by active member (“renter”) and parent; jointly procured by active and alumni treasurers. Out-of-House membership agreements signed and enforced by active chapter.
 3. **Research, Charge Market Rents, & Collect it**
 - **Research dorm, and other fraternity prices every 1-2 years**
 - We monitor dorm and other fraternity costs annually. House bill (individual member rent) increases track close to dorm rate increase. House bill rate has tracked close to CPI increases for past 40 years.
 - **Ensure the Chapter understands why you have set rent at the level you have.**
 - Chapter president is part of process for setting house bill rates. Set in spring of each year so all students know what it will be when they return in fall.
 - Chapter rent (total house) is set just after school starts when final occupancy numbers are known. Not based on a firm \$/renter basis but it is set based on ability of chapter to pay and to make a viable budget that will support attracting

new members. Active chapter president gets a vote as the budgets are approved by the alumni board, of which he is a member.

- Periodic briefings by alumni board to the active chapter on importance of manning levels and sources of income for alumni budget; Attempt to have these often enough so the majority of actives understand the relationship of house bills and alumni board income.
- Set the rent & collect 100% of it.
 - Number and amounts of Accounts Receivable is an agenda item at two board meetings. Failure to pay rent to active chapter without a viable and agreed to recovery plan will (and does) trigger encumbrance of individual grades by University--resulting in failure to successfully register for next semester courses or withholding of degree.
 - Bill up front & if they do not pay off charge higher rent & have signed contract
 - All members know in April what their house bill will be in the fall. All sign contract.
 - We bill in monthly increments throughout each semester.
 - We considered and rejected a process to bill one installment per semester.
- 4. Establish a Maintenance Reserve Fund
 - Budget to put away no less than 5-10% of your annual reserves
 - Goal in Strategic Plan is to set aside 10% of collected rent for recapitalization fund. Reality has been that recent manning levels have been below minimum standard necessitating our borrowing to make mandatory expense payments (mortgage, insurance).
 - Separate "rainy Day" savings account holds about 1 years worth of normal maintenance budget.
 - Have a Life-use review of your facility completed so you can set a budget
 - Never done to our knowledge
 - Consider an undergraduate building fee
 - Established when chapter house was new in 1968. All undergraduate members made pledge to pay certain amount following graduation. Some paid, some didn't. Concept placed a high administrative demand on alumni board officers and eventually was abandoned. Might revisit if active chapter can not be relied on to continually make manning levels needed to build recapitalization fund up.
- 5. Reduce the Debt/Fundraise
 - Do not let your debt get out of control
 - Trying not to. Only undertook new mortgage (after old one paid off) in order to undertake absolutely needed electrical and heating systems renovation. Other plans to renovate have been placed on hold due to lack of funds.
 - Rule of thumb for long-term debt is \$5K to \$10 per bed

- Currently at about \$3.9K per bed based on normal occupancy of 72(\$7.1K based on actual occupancy this year.)
- Every 20-25 years, you should complete a major campaign
 - House was new in 1968. Large campaign done in 80s. Planning and some preliminary work done several years ago but manning levels and academic performance were barriers to significant alumni buy-in. Plans put in abeyance until manning and academic issues successfully resolved. Planning for a campaign remains a goal in strategic plan.

6. Fill the House

- Do whatever it takes to keep the house at least 90% full
 - Manning level is stressed at every level. Significant effort has gone into documenting and understanding our chapter performance versus ourselves and other Greeks. Planning tools and methodology in place to allow consistent approach to forecasting future manning levels and the rush goals needed to achieve them.
 - Manning goals are part of strategic plan and are discussed at each board meeting.
- Have the chapter use a point system for move-in/move-out priority.
 - Housing contract specifies chapter requirement to live in house through 8th semester on campus. Failure to do so can bring on chapter voting member out.
 - Incentive plan in place to encourage those members who have completed contract requirement (8th semester) to stay.

7. Develop a Sense of Ownership in the Undergraduates

- Have the officers at all board meetings
 - Custom has been for Chapter president, treasurer and rush chair to attend. President is a voting member of Alumni board. Meeting is open for all chapter members to attend.
- Have the officers help the housing corporation set the rent & make the rules
 - Chapter president does this as member of alumni board. Active and alumni treasurers meet with active president to arrive at figure for house rent that the alumni board must approve at start of school year.
- Have fun with the undergraduates with an annual meeting trip
 - Have tried to do annual joint active alumni Quo Vadis and have been successful two out of last three years. This year is being delayed due to impending roll out of new National plan in Aug. Have attempted to incorporate a social aspect to this. Tailgating parties take place on some football weekends.