

The Seven Habits of Highly Successful House Corporations

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1. Operate Like a Business

- Incorporate.
- Communicate and stay involved with University House Corporation committees and your National House Corporation if applicable.
- Conduct regular meetings (quarterly for the entire board, monthly calls and e-mails for the executive committee).
- Prepare written reports for all meetings and mail an annual report.
- Conduct monthly property inspections - both for cleanliness and maintenance.
- Prepare and follow an annual budget, as well as a five-year plan.



- File all required government reports.
- Outsource critical functions and review all expense annually to see if they can be lowered.
- Develop a well-balanced board (age and experience).
- Coordinate with the Alumni Chapter and undergraduates to ensure

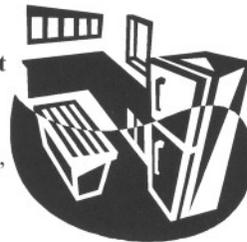


that an effective alumni program is in place.

- Have a check-in, check-out procedure and a minimum of annual professional cleanings.

2. Execute a Use Agreement

- Specify the amount of rent and who is responsible (include rent, kitchen, reserve fund, parlor fee, security deposits).
- Have a set of house rules and policies.
- Specify the right of the House Corporation to terminate the agreement.
- Require the chapter to obtain written housing contracts with security deposits.
- Require the chapter to provide monthly accounting reports to the House Corporation.



3. Charge Market Rent

- Charge market rent based on apartments, dorms and other fraternities (research these numbers at least every two years) - if your facility is among the best on campus, your rent should be among the highest.
- Rent should cover all facility related expenses.
- Involve the undergraduates in the

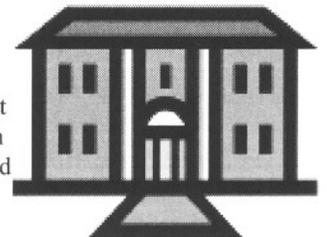
setting of the rent.

4. Establish a Maintenance Reserve Fund

- Establish and fund maintenance reserve and replacement funds.
- Rule of thumb is 10 percent of gross revenues.
- Complete a maintenance reserve analysis every five years.
- Complete maintenance and replacement every summer.

5. Reduce the Debt

- Rule of thumb is \$10,000 per bed, but may be higher or lower depending on revenue sources.
- Continue to charge market rent even when debt is paid off.



6. Fill the House

- Require that the chapter pay full rent if every bed is not rented. Set the line in the sand and stick to it.
- Require the chapter to follow a priority placement point system (will be used for room selection and move-in if the house is not full)
- Close the house in the summer unless it is marketable for the summer or it plays a significant role in summer rush.

7. Develop a Sense of Ownership in the Undergraduates

- Instill a sense of ownership and team-play by letting undergraduates participate in decisions and attending all board meetings
- Speak at a chapter meeting once per semester.



WHAT IS FPMA?

* An association developed to make fraternal house or alumni corporation officers better property managers through education and other assistance.

* Providing a comprehensive and competitive Property and Boiler & Machinery insurance program to protect the physical plant of the association participants.



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