



7 Habits of Highly Successful House Corporations

1. Operate like a business

- a. File for incorporation under local and state tax laws
- b. Keep lines of communication open between University House Corporation committees and Local House Corporation
- c. Conduct regular meetings; Prepare written reports for all meetings and mail annual reports to appropriate members
- d. Conduct monthly property inspections
- e. Prepare and follow an annual budget, as well as a five-year finance and expenditure plan
- f. File all government reports required of non-profit entities
- g. Outsource critical functions and review all expenses annually to determine where costs and revenues can be adjusted
- h. Coordinate with the alumni membership and undergraduates
- i. Have a check-in and check-out procedure for member suites and a minimum of annual professional cleanings

2. Execute a Lease/Use Agreement

- a. Specify the amount of rent for each pay period
- b. Outline role and responsibility of the individual member, chapter, and house corporation
- c. Have a set of house rules and policies
- d. Specify the right of the house corporation to terminate the agreement and serve notice of eviction for tenants not meeting expectations of agreement

3. Charge Fair Market Rent

- a. Do this based on apartments, dorms, and other fraternities within the local environment. Research these numbers every two years.

- b. Rent should cover all facility related expenses
- c. Involve collegiate in the review of fair market values and establishment of rent

4. Establish a Maintenance Reserve Fund

- a. Rule of thumb is 10% of gross revenue
- b. Complete a maintenance reserve analysis at a minimum of every 5 years
- c. Complete maintenance and replacement every summer

5. Reduce the Debt

- a. Normal rule is \$10,000 per bed but many may be higher or lower depending on locality
- b. Continue to charge fair market rent even when the debt is paid off

6. Fill the House

- a. Require that the chapter pay full rent, regardless of if every bed is rented or not
- b. Require the chapter to follow a priority point system which will be used for room selection and immediate move-in if house is not at capacity
- c. Shutdown the house in the summer unless it can be close to being filled

7. Develop a sense of Ownership in the Undergraduates

- a. Allow collegiate to participate in the discussion process of the corporation, and invite key leaders
- b. Solicit recommendations and identified needs of the collegiate to better provide a facility that will be competitive.
- c. Make sure that there is an Undergraduate House Manager and that they are a working partner with House Corporations
- d. Keep open books on the finances and give the collegiate updated reports on the status of debts and current budgets