



Agenda

Regular Meeting of the DTAC BOD

Date: Tuesday, April 29, 2017

Place: Comfort Suites, Corvallis, OR

Time: 10:00 am PST

CALL TO ORDER – Coy Scroggins

ESTABLISHMENT OF A QUORUM – N/A Organizing Meeting

PROOF OF MEETING NOTICE – Coy Scroggins

AGENDA ITEMS FOR ACTION / REVIEW – Coy Scroggins

Agenda Item #1

Present the agenda to the organizing meeting attendees.

Recommendation: Approve the meeting agenda.

Agenda Item #2

Review and discuss options for structure of the Alumni Chapter and its relationship with the Delta Tau Housing Corporation.

Recommendation: Participants review the attached three options

Agenda Item #3

Decide on final organizational structure of the Alumni Chapter.

Recommendation: Approve one of the three attached options or alternative option.

Agenda Item #4

Finalize tasks, including Capital Campaign and Renovation Project, based on the organization structure decision (item #2).

***DT Alumni Chapter Meeting
April 29th, 2017***

Recommendation: That the Capital Campaign and Renovation committees proceed using the agreed organizational option attached or other organizational option as agreed.

ADJOURN MEETING – Coy Scroggins

Notice

This agenda and related documents are posted on the DT Alumni Website TBD

Administrative Note

The BoDs reserves to the right to make unanticipated changes to this Agenda that may be the result of unknown circumstances at the time of this printing and distribution. The meeting date and time may be postponed due to unforeseen Board member conflicts of an extraordinary nature. All attempts will be made to conduct the agenda and meeting as announced.

OPTIONS #1

Retain the Housing Corp as a separate legal and independent entity from the Alumni Chapter. Both organizations will have their own separate boards/executive councils and hold their own elections. The Housing Corp handles all issues dealing with the physical property (i.e. the House) while the Alumni Chapter focuses on alumni relations. This is basically the status quo option.

ADVANTAGES

- Model favored by National
- Keeps existing contracts/agreements in place
 - o Deed to the House
 - o Loan from OSU Credit Union
 - o Pennington contract
 - o Several contracts with local vendors scheduled to do work at the House in the next few months
 - o Agreement with National's 501c3 Scholarship Foundation
 - o Five person board currently in place
 - o Tax ID and checking accounts in place
 - o Luxton Scholarship endowment
 - o

DISADVANTAGES

- Major workload for a small group of alumni (historically 2-3 active Board members)
 - o Day-to-day management of property to ensure compliance with local and state laws/codes.
 - o Contract negotiations with Chapter
 - o Control of the Luxton Scholarship
 - o Oversight of the Capital Campaign
 - o Oversight and contract awards for all renovation projects funded by the Capital Campaign
 - o Communications with the alumni base reference housing issues and management
- No oversight of the Board decisions by the alumni base or other alumni organizations
 - o In the past this
 - Resulted in a \$100,000 loan using the House as collateral with no input from the alumni base nor was there any legal requirement for the input.
 - No reserve funds established
 - Budgets not developed or share with the alumni base
- Creates two alumni organizations each requiring annual meetings and election of officers.
- Requires alumni to interface with 3 organizations (AC, HC, AAB) to get overview of the alumni activities and interactions with the undergraduate Chapter.

INPUT FROM NATIONAL

I understand the allure of all alumni functions falling under the same "umbrella". From the perspective of an organizational chart, it definitely makes things appear to be simpler and straight forward. In some cases, such a structure would have its benefits. Like anything, though, it would also have its shortcomings.

There are two primary reasons for the separation of the House Corporation and the Alumni Chapter: 1) liability, and 2) these two entities serve different purposes. If these entities exist, legally, under the same bylaws and AOI, then the operations and actions of one are directly connected to the other. Consider the following:

- The Alumni Chapter and House Corporation are the same organization (i.e. governed by same bylaws and AOI)
- The Alumni Chapter hosts an event
- The event is not held on the property owned by the house corporation
- An individual attending the event is significantly injured

- A claim is filed that may include the Alumni Chapter AND the house corporation because they are, in effect, one in the same

Additionally, these two entities (i.e. house corporation and the alumni chapter) serve different purposes. As I am sure you are all aware, there is a lot of work involved in maintaining and managing a fraternity house. The daily maintenance, leasing, and collection of rent alone demand considerable time and attention, not to mention keeping up with city codes, fire codes, renovations and updates, taxes, licenses, and state filings and records. All of these things are just involved with the physical property.

To the contrary, an alumni chapter's primary focus is on the alumni – maintaining the connection of alumni members to each other and to the collegiate chapter. Most often this is done through communication to the alumni body, social gatherings/events of alumni, some joint events with the collegiate chapter. With the exception of the annual 990 filing, there are no other significant regulatory responsibilities of the alumni chapter in comparison to the house corporation.

Certainly, to be successful, both entities have significant responsibilities, and both are very important to the support of the collegiate chapter. The importance of both entities is why it is reasonable, and sound, for each entity's board to include a member of the other. Communication between the House Corporation and the Alumni Chapter are imperative, as is the need for the two bodies to work together. By separating the two, legally, though, both are protected from the operations and actions of the other.

I hope this information helps. Should you think it could be beneficial for us to schedule a teleconference, just let me know.

Fraternally,

Justin Wenger
Director of Member Engagement
Sigma Nu Fraternity, Inc.

OPTION #3

Same as Option #2 but roll all the Alumni Chapter functions under the Housing Corp. This would expand the number of Housing Corp officers and establish a larger Board/Executive Council.

ADVANTAGES

- Requires no or limited changes to current contractual and legal agreements the Housing Corp in place.
- Established one alumni organization responsible for management of the physical property, alumni relations and fiscal support (scholarships, etc.) for the undergraduate Chapter.
- Provides an oversight capability through the Executive Council for all activities involving the House and support of the undergraduate Chapter.
- Consolidates all financial activities.
- Simpler for the alumni base to understand.
-

DISADVANTAGES

- Doesn't follow National model
-

OPTION #2

Change the legal name of the Housing Corp to the Delta Tau Alumni Chapter and roll all of its functions under the Alumni Chapter. A separate section/office would be established to perform only limited property management functions associated with the House. This section would have 1-2 people and possible contract support from a professional property management firm. All financial transactions would go through the AC treasurer and the Capital Campaign and associated renovations projects would be managed by the Exec Council of the Alumni Chapter through existing committees (Renovation and Capital Campaign).

ADVANTAGES

- Established one alumni organization responsible for management of the physical property, alumni relations and fiscal support (scholarships, etc.) for the undergraduate Chapter.
- Provides an oversight capability through the Executive Council for all activities involving the House and support of the undergraduate Chapter.
- Consolidates all financial activities.
- Simpler for the alumni base to understand.

DISADVANTAGES

- Doesn't follow National model
- Requires major rewrite of bylaws and Articles of Incorporation
- Could create confusion with current creditors
- May require modification of current contracts (Pennington, National Education Foundation, etc.)

INPUT FROM NATIONAL (JUSTIN WENGER)

I understand the allure of all alumni functions falling under the same "umbrella". From the perspective of an organizational chart, it definitely makes things appear to be simpler and straight forward. In some cases, such a structure would have its benefits. Like anything, though, it would also have its shortcomings.

There are two primary reasons for the separation of the House Corporation and the Alumni Chapter: 1) liability, and 2) these two entities serve different purposes. If these entities exist, legally, under the same bylaws and AOI, then the operations and actions of one are directly connected to the other. Consider the following:

- The Alumni Chapter and House Corporation are the same organization (i.e. governed by same bylaws and AOI)
- The Alumni Chapter hosts an event
- The event is not held on the property owned by the house corporation
- An individual attending the event is significantly injured
- A claim is filed that may include the Alumni Chapter AND the house corporation because they are, in effect, one in the same

Additionally, these two entities (i.e. house corporation and the alumni chapter) serve different purposes. As I am sure you are all aware, there is a lot of work involved in maintaining and managing a fraternity house. The daily maintenance, leasing, and collection of rent alone demand considerable time and attention, not to mention keeping up with city codes, fire codes, renovations and updates, taxes, licenses, and state filings and records. All of these things are just involved with the physical property.

To the contrary, an alumni chapter's primary focus is on the alumni – maintaining the connection of alumni members to each other and to the collegiate chapter. Most often this is done through communication to the alumni body, social gatherings/events of alumni, some joint events with the

collegiate chapter. With the exception of the annual 990 filing, there are no other significant regulatory responsibilities of the alumni chapter in comparison to the house corporation.

Certainly, to be successful, both entities have significant responsibilities, and both are very important to the support of the collegiate chapter. The importance of both entities is why it is reasonable, and sound, for each entity's board to include a member of the other. Communication between the House Corporation and the Alumni Chapter are imperative, as is the need for the two bodies to work together. By separating the two, legally, though, both are protected from the operations and actions of the other.

I hope this information helps. Should you think it could be beneficial for us to schedule a teleconference, just let me know.

Fraternally,

Justin Wenger
Director of Member Engagement
Sigma Nu Fraternity, Inc.