



## **Best Practices of House Corporations**

*While not every house is created equal, the number one factor that distinguishes the best run or most beautiful facilities from the average to below average ones is the manner in which the house is managed by the House Corporation. The amount of money available and quality of the House Director and staff are both certainly close seconds in determining the quality of a facility, but make no mistake the level of engagement by the House Corporation separates the best from the rest in terms of fraternity and sorority houses. Thus, CSL Management has compiled the following list of Best Practices of House Corporations:*

- 1) House Corporation Board meets monthly and minutes are taken and maintained
- 2) A minimum of three Board members, ideally five to divide following responsibilities:
  - a. Board governance and operations (legal, insurance, and tax compliance)
  - b. Finance and budget
  - c. Staff and vendor management
  - d. Maintenance and repairs, including life safety and codes inspections
  - e. Tenant\resident lease and rent collection management
- 3) Articles of Incorporation filed with the State and annual tax returns filed every year
- 4) Processes in place to ensure adequate record keeping and documentation of:
  - a. Organic documents (Articles of Incorporation, By-Laws, etc.)
  - b. Repairs and maintenance
  - c. Equipment- serial numbers, manufacturer, age, last replacement, and warranties
  - d. Vendors and preventive maintenance and life safety contracts
- 5) House policies\rules posted and clearly communicated to residents, room numbers on every room
- 6) Inventory of the property (written with supporting pictures\video) in place and updated
- 7) Meet reporting requirements of the University and National Headquarters
- 8) Ensure life safety and code inspections take place as required
- 9) Create a budget for the house each year that provides for capital reserve contributions
- 10) Saving at least 10% of revenue each year for future capital needs and improvements
- 11) Have an emergency\disaster plan in place for the house and communicated to all parties
- 12) Property, liability, and workers compensation insurance in force with adequate limits
- 13) Capital plan in place detailing funding needs\requirements for a minimum of 5 years
- 14) Property assessment conducted a minimum of every 5 years, ideally every 24 to 36 months
- 15) Screening and background checks done on all staff hires
- 16) Leases executed and collected by March for next school year, room numbers on all leases
- 17) Start planning for summer projects in January
- 18) Welcome kit provided to residents and parents prior to new school year, that includes:
  - a. Move in and move out dates for fall and spring break, holidays, end of school, etc.
  - b. Daily meal schedule, if food is provided
  - c. Schedule of when rent payments are due
  - d. Important house rules and regulations
  - e. Information about the House Director and Staff, names, brief bios, etc.
  - f. List of important numbers, including Board members and emergency numbers
- 19) Collect damage deposits and have a list of who is in every room and the number of that room
- 20) Board member present at least for move in for fall semester and move out at end of spring semester