

# FarmHouse International Fraternity

## Association Board Handbook



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## **FarmHouse International Fraternity Association Board Handbook**

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## I. INTRODUCTION

The FarmHouse Association came into existence 18 years after the founding of the Fraternity. As Founder Claude B. Hutchison stated in an address to the Fraternity at the 50th Anniversary Conclave, “No one among the little group of founders had any thought that he and his fellows were founding a fraternity, nor had they any intention of doing so.” It was, as he stated it, a “Club” ... “A place where we could live and work together, to promote our mutual interests in stimulating companionship and fellowship.”

The nationalization of FarmHouse came about following the establishment of the third Chapter at the University of Illinois and it was approximately at the time of the installation of the fourth Chapter at Kansas State that thoughts of a “FarmHouse Association Plan” took form. The FarmHouse Association Plan came into being through the efforts of Lew T. Skinner and the Nebraska Chapter. The men of Nebraska wanted to provide for a Chapter house that would be styled to their needs rather than to continue renting houses that had been discarded as family dwellings or which had been adapted, used, and discarded by other fraternal organizations. The establishment of the FarmHouse Association made possible the corporate existence necessary for acquiring property.

Following the early success of the Nebraska FarmHouse Association in formulating a Building Program, other state Associations were formed. An amendment to the by-laws approved at the 1923 Conclave provided for a FarmHouse Association in each state where there is a FarmHouse Chapter. In the words of the FarmHouse Fraternity Record 1905-1929, membership in the Association consists of “Chapter, active, alumni, and honorary members...” Each Association, according to the amendment, was entitled to one delegate vote at the biennial Conclave of the Fraternity “with similar powers as the Chapter delegate.” In the first years of these state Associations, Chapter housing, the main purpose for their establishment, was almost their sole reason for existence. It is interesting to note in reading the FarmHouse Fraternity Record 1905-1929 that added responsibilities came quickly and quite naturally. Because of organizing alumni mailing lists for the use of the building committee, it was prudent to also use them to maintain contacts with alumni members on other matters. As early as 1927, the Associations were sharing the cost of annual publications with the Chapters, and in some cases were issuing a quarterly newsletter. Moreover, the Association often served as an advisory body to the Chapter in matters of finance and attempted to establish a uniform system of bookkeeping and budgeting in 1923.

Members of the alumni group as well as Chapter members were always looking for good prospects for membership in FarmHouse and this too became another major objective of the Association. The Association plan proved to be so effective that it has remained basically the same as when it was originally organized, with minor refinements throughout the years. As property responsibilities have increased and prices have gone steadily uphill, the work of the FarmHouse Association has grown. Taxes and insurance have entered the picture, as have zoning, maintenance and planning for the future. Chapter houses that once housed small numbers have been exchanged for larger dwellings and greater numbers of members. The Association Board has found that financing and caring for a house can be an educational process for undergraduate members, too, and have shared some of the responsibilities for planning and implementing the building program.

Additionally the Associations share many activities with the undergraduates and are welcome guests at the Chapter house on special occasions as well as on a casual basis and for business reasons. They share the programming for Founders' Day and for Homecoming and jointly host the annual meeting of the State Association. Association men serve on the Chapter Advisory Committee and in special areas of counseling. The Association works in very close cooperation with the Chapter and the alumni take pride in the accomplishments of the undergraduates. The relationship is often on a "one to one" basis and rewarding to both the alumnus and the undergraduate.

Furthermore the Association handles all matters of financing the housing for the Chapter and often enters into a loan agreement with the FarmHouse Foundation. Officers of the Association will work with the Chapter to determine the amount of the house bill, which will include a percentage for the building program of the Chapter. The Association of course encourages the Chapter members in their scholastic endeavors, in their athletic participation and in a well-rounded social life. Associations and Chapters at many locations co-host summer picnics and homecoming banquets. Some Associations honor the Chapter scholastic achievements, and the achievement of an outstanding alumnus is often observed with a reception hosted by the Chapter.

At the 1962 Biennial Conclave in Colorado, the National Executive Board urged that Associations be established in areas where there are no active Chapters of the Fraternity. It was recommended that at least ten members participate in the establishment of such an Association, the purpose of which is communication with each other and the national organization. In some areas these Associations are helpful in working toward the establishment of a new Chapter.

The by-laws of the Fraternity include the following statements about Associations.

**“There shall be established in each place where a Chapter exists, an Association composed of membership as follows:**

- a. Chapter, alumni and associate members of the local Chapter of FarmHouse, regardless of place of residence.**
- b. Alumni and associate members of the Chapters of FarmHouse Fraternity who reside in that state or province.**
- c. Honorary members of the International FarmHouse Fraternity residing in that state or province.**
- d. If more than one Chapter is established in a state or province, an alumnus, associate or honorary member may also become a member of any or all Associations within the state or province.”**

The By-Laws also provide **“In states or districts that do not have an active Chapter, there may be established a FarmHouse Association for that area provided there are at least ten alumni, associate and honorary members.”**

## II. RESPONSIBILITIES

### Association Board

The Association Board is a group of elected alumni volunteers and undergraduate officers who represent the entire Association. Generally, the men elected to serve are chosen at the Annual Meeting of the Association, in most cases in conjunction with the Chapter's Founders' Day activities. The size of Association Boards may vary from 5 to 15 alumni. In addition, the effective Association Board will also include the Chapter President, Director of House Operations and VP - Finance as voting members.

The Association Board will have many roles in leading the Association and assisting in its activities and programming. As the representative owners and landlord of the Chapter House, the Association Board is charged with the following responsibilities:

1. Serves as landlord for the Chapter's property – setting and collecting rent charged to the Chapter for use of the facility.
2. Develops short-term and long-range strategic plans for operation of the House/Chapter and Association activities.
3. Acts as financial conservator providing overall financial management for the Association, House and Chapter (including providing for insurance/taxes/Chapter house financing). Specific oversight of the Chapter should include:
  - Assist in the establishing firm financial criteria for Chapter operations, helping Chapter set and review Chapter budgets and financial statements.
  - Review Chapter collections, debt, disbursements and assist with collections as needed.
  - Assist the Chapter VP – Finance with uniform FarmHouse bookkeeping and accounting package - Quickbooks Online program.
  - Serve as the Audit Review Committee for the Chapter.
4. Works closely with Chapter to coordinate an annual house upkeep and maintenance schedule and plans for long-term physical plant maintenance and replacement (hires consultants and professionals as needed).
5. Coordinates alumni mailing lists and assists Chapter with cost and content for Chapter newsletter, published at least twice a year.
6. Works closely with Chapter in these areas:
  - Providing recruitment assistance/training
  - Membership Education, Programming and Scholarship
  - Risk Management
7. Establishes Association/Chapter operating policies and agreement subject to International and collegiate guidelines.
8. Enforces the Chapter, International, University, city, and state policies, regulations and laws and review safety policies and issues, including fire and health codes for the facility.
9. Share programming and hosting responsibilities of the Annual Meeting of the Association, Founders Day and Homecoming alumni events.
10. Works closely with the Chapter Advisory Committee and Foundation Council.
11. In cooperation with the Chapter, identifies and elects appropriate Association Board members from alumni in the community.
12. Acts as a role model for the Chapter.

To accomplish these objectives there are two requirements. The first is to establish rules and standards for operations. These are the ideals for which the organization must strive. The second is to recognize specific responsibilities of the organization. The Board must be reasonable in determining its objectives and must know what undergraduates and alumni expect of them and share in their enthusiasm, as dreams become reality.

### **The Chapter Advisory Committee**

Purpose & Philosophy: The Chapter Advisory Committee is essential to the success of the Chapter's life. These men and ladies provide counsel in matters relating to the Chapter's function, to the Chapter's relation to the university, to the working together of the Chapter and alumni members of the Association, and often in areas of study. They are able to give assistance to young men who experience difficulty in planning their activities and course work. Because they have life experience and are usually members of the Fraternity, they are able to see many facets of a situation not obvious to others in counseling positions. They are also prepared to advise counseling for problems beyond their own capabilities or domain.

While the Chapter Advisory Committee brings to the Chapter all of these possibilities for service, these men are also aware that the life of the Chapter must find its direction in the Chapter members and the officers. Experience shows that men become more self-sufficient when they *do*, and so this committee does not exert itself to direct the Chapter or to give advice until such advice is sought.

Invitation to Serve: According to Article XVIII, Section 1, of the By-Laws, "Each Chapter shall maintain at least three (3) Chapter advisors, of which at least one is a university faculty member and one is an alumnus, Association or honorary member (on individual can fulfill both requirements). The advisors shall constitute the Chapter Advisory Committee, whose advice may be sought by the Chapter, Association, and International Executive Board on all matters pertaining to the welfare of the Chapter."

These individuals are elected for terms of three years, alternating so that one new member is added each year as the senior member retires. The new senior member of the team becomes the chairman of the committee that year. Election of the committee should be concurrent with the election of Chapter officers. When possible, Chapters are encouraged to consider non-faculty alumni to serve as one of the three advisors as such a person often provides new insight into the Chapter and its goals as well as possibly serving to spark the interest of other non-faculty alumni.

Meetings: The Chapter advisors should hold a committee meeting at least once during each school term to be well informed of the "health" of the Chapter and its special needs. As new Chapter officers are elected concurrently with Chapter Advisory Committee members, a meeting should be held soon after election with Chapter and Association officers jointly, to become acquainted and to discuss direction for the coming year. Additionally, meetings of the committee, or a member of the committee, with the Chapter executive committee should be held as the need is indicated.

Committee members will want to make frequent informal visits to the Chapter, either individually or as a group, to become acquainted with the members, to exchange ideas, and to observe the functioning of the Chapter. It is desirable for at least one Chapter advisor to be present at each Chapter meeting. In this way the committee will be better informed and in a position to give advice

when it is warranted. The Chapter Advisory Committee should meet at least once a term with the housemother for an exchange of ideas.

Chapter relationship: After an individual has agreed to serve the Chapter as its Chapter advisor, the officers and members should become well acquainted with one another. The Chapter executive committee and other officers of the Chapter should make every effort to keep the members of the Chapter Advisory Committee informed of the financial situation in the Chapter and of any problems which may arise in this area. The Chapter is encouraged to take advantage of the knowledge that the Chapter Advisory Committee will have concerning students, to aid them in their membership selection and education for membership programs.

Chapter members, individually and collectively, are also encouraged to solicit the aid of the Chapter Advisory Committee on matters of scholarship and for assistance in improvement of study techniques and programs. Chapter members and officers should develop a relationship of such fine degree that they feel free to broach the Chapter advisor on personal matters, on matters which may involve personality conflict, on matters of social conduct and in many other areas.

### **FarmHouse Foundation Councils**

The FarmHouse Foundation Councils are a subset of the FarmHouse Foundation, which were established to provide a fundraising vehicle for alumni to use to make direct contributions to benefit the educational needs of a specific Chapter.

Donations to the FarmHouse Foundation, including those earmarked for a specific FarmHouse Foundation Council, are tax-deductible, whereas donations to the Chapters, Associations and the International Fraternity are not. While a handful of Chapters have chosen to set up their own independent foundations, more than 80 percent of FarmHouse Chapters have chosen to set up a FarmHouse Foundation Council. The IRS closely scrutinizes the activities of 501(c)(3) charitable organizations. Setting up a Foundation Council under the umbrella of the FarmHouse Foundation eliminates the administrative, tax, compliance and reporting issues that independent 501(c)(3)s face.

The first step toward starting a Council, after appropriate alumni have agreed to proceed, is to forward to the Executive Director of the FarmHouse Foundation a list of the names and addresses of the proposed Council's principal officers and a copy of the Council's Statement of Purpose and Organization. Local Foundation Councils may engage in their own fundraising programs and activities, although copies of all fundraising letters, brochures, and programs must be reviewed with the Foundation's Executive Director in order to assure that all activities are in compliance with the goals and objectives of the Foundation and IRS regulations. All materials sent out by a local Council should spell out as clearly and succinctly as possible the local Foundation concept, especially the relationship between the local Council and the international Foundation.

In order that there be no questions as to the tax deductibility it is important that donors make their checks out to the FarmHouse Foundation. It is preferable that individual donors be advised to send their checks directly to the International Headquarters. If, however, checks are sent to the Chapter house address, Association and/or local Council officers, they should not be cashed locally but forwarded to the International Headquarters in a timely manner, preferably no later than a week after receipt. The International Headquarters in Kansas City, Missouri becomes the local Council's

bank, or at least banking agent, and upon request, will provide monthly statements of the Council's fund balance to the appropriate Council officer. Provided the intended use is for educational, charitable purposes as prescribed by the IRS and understood by the FarmHouse Foundation, money will be released by the Executive Director of the Foundation by check made payable as directed in writing by the appropriate Council officer.

What the IRS defines as educational and charitable can be subject to interpretation. However, at the current time there are ample IRS letter rulings and precedent for scholarships, attendance at Conclave, educational workshops (our Regional Leadership Conferences and FarmHouse Leadership Academy, for example) and in-house computers to be regarded as examples of legitimate ways in which the local Council can assist their local Chapter through the International Foundation's tax deductible status. Any fraternity-related foundation faces the same restrictions.

#### Relationship Between a Local Council & The FarmHouse Foundation

- Any funds raised by or expressly contributed to the local FarmHouse Foundation Council, or a local FarmHouse foundation functioning as such a council, are credited to the appropriate named account, for example the Kansas State Foundation Council of the FarmHouse Foundation, and earmarked to support the educational programs of a specific local Chapter.
- The local Council is periodically apprised of its fund balance with the FarmHouse Foundation.
- The local Council can withdraw all or a portion of the Fund provided it is to be used for educational purposes consistent with the Internal Revenue Service regulations and the FarmHouse Foundation's Trust Agreement.
- The FarmHouse Foundation charges a 1.5% annual administrative fee on all local Foundation Council accounts.
- In the event the local Chapter, Association or Foundation Council is dissolved or is inactive for more than one full year (can be extended at the discretion of the FarmHouse Foundation Trustees), any funds in the local Foundation Council's account will revert to the Foundation's General Fund to be used at the discretion of the Foundation Trustees.

For additional information about Foundation Councils, please contact the Executive Director, FarmHouse Foundation, 11020 NW Ambassador Drive, Suite #330, Kansas City, Missouri, 64153; phone (816) 891-9445.



### **III. Organization**

#### **Guidelines for Creating a FarmHouse Association**

##### Step 1: Create a Core Group

Identify a small nucleus of alumni who are willing to serve, along with one or two Chapter representatives, as the FarmHouse Association's initial directors. There is no set number required to get started, but the usual initial number is 3-5 alumni and 2-3 Chapter representatives for the inaugural Board. In most cases, the Chapter representatives are the President and the Director of House Operations and/or the Vice President – Finance.

- Contact alumni you know personally
- Contact alumni from other Chapters recommended by International Headquarters
- Obtain 5-10 strong commitments
- Establish the date, time, and place of the initial planning meeting
- Send written reminders of planning meeting

##### Step 2: Hold a Planning Meeting

This meeting is the first chance for the core group of potential Board members to meet and review the objectives and purpose behind forming the FarmHouse Association.

- Determine purpose of FarmHouse Association.
- Determine best method to contact other area alumni.
- Review sample by-laws and organizational structure.
- Establish the date, time, and place for the organizational meeting.
- Review the agenda for the organizational meeting.

##### Step 3: Contact All Area Alumni

In a state or area where there are very few alumni or few alumni living close to the college or university, it becomes especially important to identify new associate members (or prospective associate members in the case of an expansion group) who are willing to join the FarmHouse Association and perhaps serve as a Board member. Notifications can be sent by phone, regular mail, or e-mail as well as personally. This notification should address:

- Intent to start a FarmHouse Association.
- The purpose of the group.
- Notify them of the date, time, and place for the organizational meeting.
- Contact person for additional information.

##### Step 4: Hold an Organizational Meeting

This is the first chance to make an impression on potential members and generate broad support for the new Board or Association. At the organizational meeting, Board members should be elected and the Chapter and Association should discuss objectives for the coming year. You should thoroughly discuss the purpose of the new group and motivate alumni to help make it grow.

- Review this handbook, specifically looking at responsibilities of the Association Board.
- Track attendance
- Brainstorm ideas for possible events/activities
- Review chartering requirements and process
- Establish yearly dues, if any
- Determine operational framework, officer structure, and responsibilities
- Establish the date, time, and place for regular meetings.

### Step 5: Continue Recruiting Members & Meeting Regularly

It takes more than two meetings to get a FarmHouse Association established. You must make a continual effort over the first six (6) months to keep everyone engaged, motivated, and active in establishing the organization. Continue contacting new potential members as well as alumni you have already been in contact with. Inform alumni of the results of all meetings and include meeting minutes and the following information:

- This Association Board resource book
- Dues structure, if any
- Attendance list and Chapter information
- Potential and upcoming events
- Chartering requirements
- The date, time, and place for regular meetings.
- Emphasize the benefits of membership
- Financial information/and membership roster

At the follow-up meetings, you will need to begin moving forward with business, even if attendance is poor at first. This includes electing officers and appointing committees, adopting by-laws, and planning a yearly calendar of events.

### Step 6: Approval Process & Incorporation

Write to the Secretary of State in the capital city of the state in which the Chapter/colony is located. You should also be able to find information or forms on the State government's official website. Request all information and forms necessary to write the FarmHouse Association's Article of Incorporation and By-Laws as a 501(c)(7) nonprofit corporation. Then submit these to the Secretary of State for approval and issuance of a charter. From the International Headquarters, obtain a list of names and addresses of all state and area alumni. When the Association's charter is received from the Secretary of State, contact via letter or newsletter all alumni and potential associate members in the state and/or area and request their presence at an Association organizational meeting. The next section outlines the incorporation process more thoroughly.

### **Incorporation of the FarmHouse Association**

State statutes governing non-profit organizations usually provide for a simple form for the articles of incorporation and leave the method of carrying on corporation activities to be provided in the by-laws of the corporation. Most of the information required for the articles of incorporation on such a form can be found within the by-laws of the organization seeking incorporation. Therefore, a sample set of by-laws for a FarmHouse Association is included in this handbook to be used as a guide or starting point for developing your own Association's by-laws. Due to lack of uniformity among the different states' statutes (and forms), this list generalizes what is expected in the articles of incorporation. However, you can probably expect the Secretary of State to ask for some or all of the following information: (not in any particular order)

1. The purpose or purposes for which the corporation is organized
2. A statement that the corporation is not formed to make a profit or gain (and is "non-stock")
3. No part of the corporation's net income shall inure to any member or individual

4. The duration of the corporation – whether “perpetual” or for a certain period of time (A FarmHouse Association should be perpetual)
5. That the powers of the non-profit corporation are to be exercised by a governing body called either a Board of Directors or a Board of Trustees (Some state statutes require a vote of the membership before the Board can purchase, sell, or lease property or amend its charter)
6. The names and addresses of the original members of the Boards of Directors. The form may also require a provision that subsequent members of the Boards will be elected by the general membership of the corporation.
7. A statement that there will be an annual meeting of the members of the corporation.
8. The title of the corporation must be used to indicate that is a corporation (for example, Texas FarmHouse Association, Inc., not Texas FarmHouse Association).
9. The street address of the initial registered office of the corporation and name of its initial registered agent (this should be one of the incorporators and his home address).
10. The name and address of each incorporator – they do not have to be the same as the initial Directors.
11. A statement of who makes up the membership of the corporation
12. A dissolution statement.
13. The signatures of all the incorporators witnessed and acknowledged by a notary public.

Just as all of the above information may not be required in your articles of incorporation, neither may the above list be inclusive of all the information required when your Association applies for incorporation. If you have any doubts as to whether or not you have met all of the requirements for incorporation, you may wish to hire an attorney, or enlist the services of an attorney from among the FarmHouse membership in your state, to assist you. Whether you use an attorney’s help or not, one of the best things you can do is ask to see the articles of incorporation issued to other fraternity housing corporations at your university. Even though a FarmHouse Association is more than a housing corporation, it does include that important component so it will provide an adequate framework for the incorporation process.

If you do solicit the service of an attorney, you may be able to save him some time (and yourself some money) if you give him the following list of questions to consider:

- Is the corporation one governed by a general statute relating to non-profit corporations?
- In the absence of a general statute, or in addition to such a general statute, is the corporation to be created governed by a statute governing fraternal corporations? (For example, a Washington statute governs Fraternal Building Corporations)
- Does the governing statute require approval of the corporate charter by a court or by some state officer or board?
- Are there statutory provisions governing corporations in general which are equally applicable to non-profit corporations? (Some statutes provide that non-profit corporations shall be covered by the act relating to corporations generally except as specifically otherwise provided.)

### Tax Implications

Every Chapter and FarmHouse Association must have its own federal employer identification number (EIN), whether or not it has employees. This number is obtained by filling out form SS-4, from the Internal Revenue Service.

All Chapters and Associations are tax-exempt under code section 501 (c) (7), which covers social clubs. As a nonprofit social organization, our Chapters and Associations are exempt from paying federal income taxes on revenue generated related to our mission (house bills, dues, etc.). This does NOT mean that contributors can obtain a tax deduction. Anyone who wants to make a tax deductible donation should do so directly to the code section 501 (c) (3) charitable organization that benefits their organization, such as the FarmHouse Foundation or the local Chapter's FarmHouse Foundation Council.

### **Association Board Structure**

The Association Board assists the Chapter with its management of the house, strategic planning, and a variety of other areas. Effective FarmHouse Associations have frequent communication with the active Chapter and a strong working relationship between the Board, active Chapter, and broader Association. An effective Association board needs at least 7 alumni members and 2-3 undergraduate members, plus the Chapter advisory team. Depending on the size of the Association Board, here is a possible Association Board structure:

Executive Committee – authorized to conduct business on behalf of the Association Board, authorized to sign checks – 2 signatures required on all checks, must live within 1-2 hours distance of the Chapter, expected to meet monthly for Association Board Executive Committee Meetings and more frequently as needed:

1. Association President
2. Association Vice President (Housing)
3. Association Treasurer
4. Association Secretary

The remaining Association officers may live throughout the state or even in other nearby states within driving distance. These officers would be expected to attend at least quarterly meetings of the full Association Board and be responsible for specific areas:

### Board Mentors to Chapter

5. Recruitment Mentor
6. Member Education/Programming Mentor
7. Risk Management Mentor

### Additional Officers

8. Annual Founders Day Chair
9. Annual Homecoming Event Chair
10. Special Events Chair (Golf Tourney, Summer Picnic, Parents Day events)
11. Chapter Executive/Association Board Retreat Chair
12. Nominating Committee Chair

13. Alumni Newsletter Coordinator/Editor
14. Alumni Big Brother Coordinator
15. Alumni Phone-a-thon Coordinator

#### Chapter Representation on Association Board

16. Chapter President
17. Vice President – Finance
18. Director of House Operations

Chapter Advisory Committee (Ad-Hoc to Board) – each advisor would have specific focus (coordinate with Association to avoid unnecessary overlap) – each to focus on different areas – academic advisor (likely the faculty member), financial, recruitment, new member education

19. Senior Chapter Advisor
20. Chapter Advisor
21. Chapter Advisor

#### Other possible representatives to Association Board

22. Foundation Council Chairman
23. Mom's Club (or Parents' Club) Representative
24. Housemother

### **Association Board Duties**

#### Executive Committee

The Board of Directors may designate an Executive Committee, which shall consist of four (4) or more directors. The Executive Committee shall have and exercise the authority of the Board of Directors in the management of the Association. The Executive Committee will be authorized to make emergency repairs of the house, make decisions related to emergency situations with the Chapter and assist with planning Board Meetings. The following listed four officers should be part of the Executive Committee.

1. *Association President:* The President is responsible for the overall operations of the FarmHouse Association.
  - He presides at all Association Board meetings and should provide a written agenda for each meeting.
  - He is charged with coordinated the annual plan of action for the Association and ensures the regular long-term planning of the Association takes place.
  - He establishes committees, as needed, and oversees the work of all officers and Board Members.
  - Writes a column for the alumni newsletter.
  - Works closely with the Chapter in planning for the Annual Meeting of the Association, Founders Days and other alumni events.
  - Should coordinate the biannual filing of a financial and activities report to Conclave.

2. *Association Vice President (Housing)*: The Vice President is charged primarily with physical plant maintenance, repair and upkeep of the Chapter house.

- He works closely with the Chapter's Director of House Operations to ensure that the Chapter house meets fire and health codes and to address housing needs as they arise.
- The Vice President is the liaison with any contractors for repairs or construction
- Oversees the Chapter's long-term needs for housing.
- If the Chapter rents, he will often be the Board's liaison to the landlord.
- The Vice President officiates meetings in the absence of the President.

3. *Association Treasurer*: Coordinates the collection of Association revenue and its disbursement. He should develop a yearly budget for the Association and report on the financial status of the Association at each business meeting. The Treasurer shall be the custodian of the permanent funds and securities of the Association and he shall keep a full and complete record of all receipts and disbursements. Finally, he must file the proper 1099 and 990 tax forms with the government for the Association. The Treasurer may also have these responsibilities:

- Assist the Chapter with its financial management and budgeting, including monthly review of financial statements.
- Assist the Chapter officers (VP-Finance, Director of Housing) in collecting monies due (dues, rent, etc.)
- Chairs the Annual Audit Review Committee for the Chapter
- Assist and oversee the Chapter VP – Finance with the Chapter's accounting efforts via Quickbooks Online
- Work with Chapter VP – Finance and accountant in completing necessary tax forms (W2s, 990, 1099, state tax forms, filing requirements, etc.)
- Ensure the Chapter's accounts receivable is paid in full
- Guide the Chapter's officer transition with the Chapter VP - Finance
- Present a yearly financial summary at each Association Annual Meeting.

4. *Association Secretary*: The Secretary should:

- Maintain a complete typewritten record of all meetings of the Association and of the Board in a permanent Association Minutes record book.
- Shall be responsible for mailing all notices and ballots for Board Meetings and the Annual Meeting and shall provide a written report of the results of all balloting.
- Shall maintain a file of mailing addresses, emails and phone numbers for all members of the Association Board, the Chapter Advisory Committee and Foundation Council officers.
- Shall work with the Director of Alumni Relations from the Chapter to ensure current contact information is maintained and updated of all area and Chapter alumni.

### Board Mentors to the Chapter Officers

The following optional officers can be elected by the members of the Board or appointed by the Association President within two weeks of his election: Recruitment Mentor, Membership Educator Mentor and Risk Management Mentor. These officers serve this role for the Board and alumni and should work in conjunction with undergraduate officers who share the same areas of responsibility. Well-established Association Boards may choose to appoint other vice presidents and committees as the need arises.

5. *Recruitment Mentor*: Helps the Chapter achieve its recruitment goals and helps facilitate recruitment workshops. He helps the Chapter develop a recruitment strategy and provides guidance on the Chapter's recruiting criteria. He facilitates alumni involvement in the recruitment process. The annual membership drive should be concentrated at the beginning and end of each academic year. This will focus intensive recruitment efforts into a period of a few months, leaving the remainder of the year open for planning. The Association will receive alumni address updates from Headquarters periodically.

- Work closely with the Chapter's Vice President of Recruitment to target and identify top incoming student leaders for membership in FarmHouse.
- Help coordinate the contact of alumni for the purposes of identifying prospective men to recommend to the Chapter for recruitment.
- Assist the Chapter in planning and coordinating summer or spring recruitment events, particularly events that might involve alumni and parents.
- Assist the Chapter in producing materials for the recruitment period
- Help the Chapter utilize alumni for other aspects of the recruiting process, such as lodging for summer recruitment team traveling the state for personal visits, donating food/supplies for recruitment purposes, offering homes for recruitment events.

6. *Membership Education Mentor*: Since Chapters are expected to schedule educational programming in conjunction with their regular Chapter meetings and new member education meetings, it's recommended that Associations have a Board Member who is mentor to the Director of New Member Education and Total Member Educator. Assist the Membership Educator develop a program and set goals and objectives

- Assists the Director of New Member Education in identifying alumni with expertise in particular areas for programming topic presentations at new member education meetings – such as attorneys – risk management; CEOs or HR directors for resume writing session, etc.
- Assists the Total Member Educator in identifying alumni with expertise in particular areas as possible guest speakers or workshop facilitators for total member education presentations – topics ranging from personal, career, organizational to service.
- Help Chapter officers better learn about the resources available to them – from FarmHouse International web resources, Collegiate Life Knowledge program, to Career Center and Health Center on campus.
- Encourage the Chapter to involve other organizations such as sororities and non-Greek groups in their member education activities
- Assist in gathering alumni to attend the pledging and initiation ceremonies

7. *Risk Management Mentor*: This officer will focus on the Chapter's risk management program, particularly as it applies to the Chapter house. He will often be the liaison to the insurance carriers and local inspection agencies and should work closely with the Director of Housing and Housemother or Resident Advisor.

- Assist the Director of Risk Management with his program and meeting his goals
- Help conduct a risk management workshop for the entire Chapter
- Assist the Chapter in developing a written risk-management program
- Conduct inspections on the Chapter house with the Association Vice President and the Chapter's Directors of Risk Management and Housing (fire code, property security, etc.)
- Advise the Chapter on how to perform risk assessments before each Chapter event

#### Additional Officers

##### 8. *Annual Founders Day Chair*

- Working with the Chapter Director of Alumni Relations and Association President to establish date/time/locations for event
- Responsible for making arrangements with site management/hotel
- Work with Chapter to plan program/activities/events, prepare invitations, ballot for Board elections, prepare printed program.

##### 9. *Annual Homecoming Event Chair*

- Working with the Chapter Director of Alumni Relations and Association President to establish date/time/locations for event
- Responsible for making arrangements with site management/hotel
- Work with Chapter to plan program/activities/events, prepare invitations, prepare printed program
- Help local alumni coordinate/host events with their pledge classes or pledge class decades.

##### 10. *Special Events Chair* (Golf Tourney, Summer Picnic, Parents Day events):

- Work with various Chapter officers on Special Events as Board determines – such as Golf outings, alumni events with new members, etc.

##### 11. *Chapter Executive/ Association Board Retreat Chair*

- Work with Chapter and Association Board to schedule dates/times/location for annual Joint Retreat between incoming Chapter executive committee and Association board
- Work with Chapter president to plan agenda, schedule activities, retreat objectives
- Plan for long range-planning/goal setting of Chapter and Association

##### 12. *Nominating Committee Chair*

- Identify and secure candidates for election to the Association Board
- Ensure that all decades of members of the Chapter are represented on the Association Board, target and recruit candidates to fit expectation
- Seek to identify a well-rounded board, targeting alumni with various areas of expertise to assist the Association (finance/accounting, property management, legal, etc.).



13. *Alumni Newsletter Coordinator/Editor*

- Work closely with the Chapter to publish at least 2 Chapter newsletters per year (at least 50 percent of the news about alumni)
- Assist with rounding up alumni news for the newsletter, help Chapter identify alumni to profile in the newsletter
- Possibly serve as editor or co-editor of the newsletter and help with design, planning and executive

14. *Alumni Big Brother Coordinator*

- Work closely with the Director of New Member Education from the Chapter to identify alumni willing to serve as Alumni Big Brothers for each of the pledge class members. Once majors are determined pair up with an alumnus in his field. Seek to make local connections when possible – although email technology will enable you to link pledges and with Alumni Big Brothers who live in other parts of the continent.

15. *Alumni Phone-a-thon Coordinator*

- Work closely with the Foundation Council and Chapter to coordinate an annual Phone-A-Thon to alumni of the Chapter – for specific purposes or annual campaign drive. Donations can be requested for educational purposes through Foundation Council or to the Association for specific Chapter house upgrades (new roof, new windows, etc.). Must be specific and clear that any donations made to the Association will not be tax-deductible to the donor.

Undergraduate Representatives

The Association Board should also include the Chapter President, Director of House Operations, and the VP – Finance from the Chapter, though some Chapters may operate differently. They should be full voting members. The members of the Chapter advisory committee, if not on the board, should be at least an ex-officio member of the Association Board and be invited and expected to attend Association Board Meetings and the Annual Meeting of the Association.

**Relationship with the Chapter**

Having undergraduates on the Association Board will improve communication between the two groups. With its primary responsibility for the house, the Board must not only focus on the needs of the current Chapter – as the undergraduates will tend to – but on the undergraduates 5 and 10 years from now. So there will be differences of opinion that must be allowed for on both sides. Clear communication with the Chapter about the FarmHouse Association's finances, expectations of the Chapter, and goals are vital to a good relationship. A good relationship with the Chapter results in the improved care of the Chapter house.

- Analyze the financial needs of the Chapter and identify workable financial goals.
- Assist in establishing firm financial criteria for Chapter operations, reviewing budgets.
- Review Chapter collections, debt, disbursements, and assist with collections as needed.
- Review risk management, and assist with enforcement as needed.
- Review safety policies and issues, including fire and health codes for the facility.
- Recommend guidelines to ensure steady, perpetual operations.

### The FarmHouse Association As Primary Lessee

If a Chapter does not own its home, but rents, it is strongly recommended that the Association become the primary lessee of the rental property that the group occupies. The Association can then sub-lease to the Chapter. Such an arrangement has many advantages:

- The landlord may be more willing to rent to the Association than to the Chapter.
- The Association can negotiate leasing terms with the owner of the property in order to insure a clear understanding between the owner and the Chapter regarding such matters as rental payments, responsibility for repairs, and a possible option to purchase the structure in the future.
- This arrangement provides a natural channel of communication between the Chapter and the Association.
- Since the Association must be the owner of any real property acquired by the Chapter, this arrangement will already have the Chapter and Association working together when such time arrives as the Association does decide to buy or build.

Every Association acting as a Landlord should have an operating agreement with the Chapter and written leases for each individual tenant as well. This agreement should describe as thoroughly as possible the duties and responsibilities of each party regarding the housing operations. This agreement should be in writing, and renewed each year by the appropriate officers for both parties. It should be reviewed immediately after the election of new officers for both the Chapter and the Association. A sample operating agreement between an Association and Chapter is included in the back of this resource.

### **Administration of the FarmHouse Association**

Fiscal Year: FarmHouse Associations should coordinate their fiscal years closely with the International Headquarters' so it can share the FarmHouse Group Exemption Tax Number. The Fiscal Year for FarmHouse Fraternity, Inc. (The International Headquarters) is September 1<sup>st</sup> – August 31<sup>st</sup>. This makes administration easier for the FarmHouse Association, the Chapter and International Headquarters.

Reporting Requirements: In order to remain in good standing with the Fraternity, FarmHouse Associations must submit a report every two years, prior to each Conclave. The biennial report is a summary of the FarmHouse Association's activities for the previous two fiscal years. The biennial reports are required by the FarmHouse International bylaws to include:

1. A complete income and expense statement and balance sheet prepared according to generally accepted accounting principle
2. A typewritten biennial report of the activities of the Association

It's also recommended that Associations annual submit:

1. An electronic copy of FarmHouse Association bylaws
2. Copy of FarmHouse Association calendar of events
3. Copy of FarmHouse Association budget
4. Copy of Form 990, filed with the IRS (if applicable)

In addition to the information listed above, FarmHouse Associations should feel free to highlight any outstanding events from the previous year. FarmHouse Associations will receive periodic requests for information from the Headquarters. Officer and membership updates should be sent to the Headquarters on a regular basis throughout the year.

Tax Requirements: Each chartered Association is exempt from Federal Income Tax. However, if the FarmHouse Association's income exceeds \$25,000, this exemption does not relieve the group of its responsibility to file an annual return with the IRS. Failure to do so may result in the loss of tax-exempt status and make the FarmHouse Association liable for payment of income tax.

The income tax return mentioned above, Form 990, is actually an information return that can be obtained at the local office of the Internal Revenue Service. It must be filed annually by the 15<sup>th</sup> day of the fifth month following the close of your fiscal year. It needs to be filed only if income exceeds \$25,000. Failure to submit Form 990 will cause IRS penalties of \$10 per day (not to exceed \$5,000) to be assessed against the Association and a similar penalty assessed against the officer who failed to file the return. The Association and/or the Chapter are still liable for payroll and wage taxes for any maintenance people, cooks, Housemothers, etc. It is strongly recommended that you use a payroll service that will take care of these responsibilities, such as [www.paymaxx.com](http://www.paymaxx.com), and [www.paychex.com](http://www.paychex.com).

Association Board Meetings: FarmHouse Associations should strive to hold business meetings on a regular basis, at least quarterly. The definition of "regular," however, varies from group to group. Some Associations meet monthly. Others meet on a bi-monthly basis. Still others meet quarterly. The key is to select the same day, time, and place for each business meeting. For example, the FarmHouse Association may choose the first Monday of each month at 6:00 p.m. at the Chapter house.

Recruiting Members: Recruiting alumni to get more involved in the FarmHouse Association and serve on the Board is similar to recruiting men for the undergraduate Chapter. However, it is easier because the alumni being recruited are already members of FarmHouse. They merely need to be reminded of their experiences and be convinced to become involved again. The challenge is demonstrating the benefits of participation relative to other activities. The ability to do that is a direct result of the quality and appeal of the Association's programming.

The most important thing to remember when attempting to recruit FarmHouse Association members is that alumni come in all ages and stages. A generalization of the different ages and stages of alumni, along with corresponding interests follows:

### **Age Stage Interests**

#### 22-30 Recent Graduates

May be new to area  
Usually have no children  
Unmarried or newlywed  
Looking for Social and networking opportunities

#### 50-60 Empty Nesters

Close to high point in career  
Children leaving home  
Seeking social opportunities, professional development, and community service

#### 30-40 Thirty-somethings

Career advancement a top priority  
Usually married with young children  
Seeking Educational and professional development

#### 60-70 Retirement-aged

Retired or working full-time/part-time  
Children usually on their own; may have grandchildren  
Pursuing avocational interests & chance to use personal expertise

#### 40-50 Settled Mid-lifers

Career track firm  
Teen-aged children  
Looking for Family-friendly events, professional development, and community service

#### 70+ Retired

Involvement may slow or limited  
Enjoy consistent contact  
Searching for social opportunities & helping younger member

Remember — these are generalizations and will not reflect the interests of all alumni in any category. The best way to determine the interests of an alumnus is to ask him.

Another important factor to consider in recruitment is **participation**. Successful FarmHouse Associations realize that only a small core group will be very active and participate in the vast majority of events. Most members will be moderately active and may attend one event each year. Association Boards should keep this in mind and refuse to measure the success or failure of the group on the number of members attending each event. All alumni should be embraced and continuously contacted by the FarmHouse Association. A FarmHouse Association can collect membership dues from even the barely active members.

The final aspect of recruitment is **persistence**. While most of the FarmHouse Association's recruitment efforts should be concentrated at the end and beginning of each fiscal year, regular updates from the group can be successful in generating mid-year members. The FarmHouse Association should send information, through a newsletter, postcard, email, or by phone, to all area alumni on a quarterly basis. Nothing sells the benefits of membership more effectively than letting them know what they are missing by not being involved.

## IV. HOUSING

### Finances & Budgets

#### Constructing a Budget

A budget is the Association's declaration of its priorities as an organization. Keep this in mind when developing a budget. There are two basic methods utilized when constructing a budget:

- The Association sets income and then allocates funds toward expense categories in the budget.
- The Association must realize what expenses and costs it must meet to properly operate the house.

The best tool to determine predictions of expenses is by using historical data. Also, programming and housing goals must be considered when predicting costs and expenses.

**1. Determine All House Expenses** – At this point all Chapter budget accounts are determined. Use historical financial data as a guide and tool for setting accurate predictions of costs. Be sure to adjust all data for cost of living fluctuations and Chapter programming for new goals.

Rent or Mortgage Payment – The primary expense is the rent or mortgage payment. This figure is generally fixed and should always be paid on time. This should be the responsibility of the Association, paid through the rent the Association charges the Chapter.

Insurance – For most Associations the second greatest expense is usually insurance. An Association needs to be sure that the house, property, officers and brothers are properly protected:

- FRMT Liability Insurance – The organization's liability insurance program provides up to \$6 million in coverage for any one incident that might occur. As of 2005-06 the FRMT premium costs \$127 per man. The number billed is based on the number of brothers from the spring prior to the current year, minus the graduated seniors reported on the term report. By action of the 1994 Conclave, the Associations are billed and are expected to include the cost of coverage into the rent charged to the Chapter.
- Property (Fire and Hazard) – Each Association is required to maintain property insurance for an amount equal to the replacement cost of the Chapter house and Association furnishings. Associations are responsible for purchasing this coverage on their own, although discounted rates can typically be found with Kirklin & Co. since the company writes our FRMT coverage.
- Directors and Officers Liability/Crime coverage – The International Fraternity contracts for a group policy for D&O coverage and crime (bond) coverage that protects the Association in cases of embezzlement, fraud or misappropriation of funds by those who handle money for the organization.

Property Taxes – This is typically either the second or third greatest annual expense for an Association. Property taxes are dependent upon the value of the house and property and

vary significantly by state and county. In some states the Association will also be required to pay personal property taxes on furniture and equipment. Since property taxes can total upwards of \$20,000 or more annually for some Associations, it's worth exploring if your Association is eligible to apply for exemption from property tax exemptions as a 501(c)(7) non-profit Association within your state.

Set-Asides to Building Fund – Regardless of how much is owed on a mortgage or if anything is owed, an Association needs to set aside funds each year for future replacement. Many Associations don't properly prepare for the future once the mortgage has been burnt. Once the house is paid off Associations need to continue collecting fair market rents from the Chapter. For more established Associations this is often the largest "expense" for the Association.

House Improvements, Repairs and Maintenance – A clear operating agreement needs to exist between the Chapter and Association regarding who is responsible for equipment, furnishings and repairs. We recommend a checklist be created that outlines specifically which entity is responsible for what. Typically an Association is responsible for repair/replacement of furniture in the dining room, library, living room and computer/study room, large kitchen appliances, major construction/maintenance of the Chapter house (roofing, carpeting, painting, sidewalks, steps, patio, parking lot, fire safety needs). Many of these improvements will need to be planned over a period of years. Set attainable goals for projects and large purchases.

\*\* Local FarmHouse Foundation (Council) may also fund educational improvements – furniture, computers and equipment for study room, computer room, library, desks, etc.

Other expenses – Smaller expenses that the Association should budget for include:

- Sponsorship of Chapter representatives to FarmHouse Leadership Academy (full funding for 4 Chapter officers to attend 2006 Academy was \$1,000); local FH Foundation (Council) may also fund.
- Sponsorship of Chapter and Association delegates and additional Chapter representatives to attend Conclave (Conclave in August every 2 years – amount will vary depending on number of brothers – costs will include travel, hotel and registration fees); local FH Foundation (Council) may also fund undergraduates' attendance.
- Sponsorship of Chapter members to attend Regional Leadership Conferences (take place each February – costs will include travel and registration fees); local FH Foundation (Council) may also fund.
- Founders' Day – Chapter and Association should determine who will sign contracts and be responsible for collecting banquet/registration fees for events. Most Associations set registration fees to cover the events in full, while others budget to subsidize some of the costs.
- Homecoming/Alumni Golf Events/Alumni Picnic/Parents Events/Senior Recognition Dinners – The Chapter and Association should determine who will sign contracts and be responsible for collecting banquet/registration fees for events. Association may want to budget for Association social events.

- Chapter/Association Planning Retreat – Association should budget to cover the cost at least half of the cost for an annual joint planning retreat with the Chapter officers; local FH Foundation (Council) may also fund.
- Newsletter – Association should budget to cover half the cost of printing and mailing of the alumni newsletter. The Chapter should be expected to cover the other half and coordinate the mailing.
- Chapter Phone-A-Thon – Association should budget for the costs related to use of phone banks for a Chapter phone-a-thon. Typically the cost is split between the Chapter and local FH foundation.
- Tax Preparation – Associations should budget for the costs of legal and accounting work (amount and need will vary by Associations).
- Association Dues – Association Dues with FarmHouse International are currently \$200 per year per Association, due February 1.
- Chapter Scholarships – Associations may choose to fund academic scholarships for members or scholarships to help with recruitment efforts; local FH Foundation (Council) may also fund.

**2. Forecast Income** – There are typically only a handful of potential revenue streams that Associations can tap as sources of income. That’s why it’s essential that the Association do a thorough job of determining a fair market rent to charge to the Chapter. Be sure to use conservative estimates and avoid over budgeting.

Rent charged to Chapter – The next section details several formulas to help Associations determine the rent to charge a Chapter. Generally an Association should research through the Greek Life department to determine what other Fraternity Associations charge their Chapters in rent and help set a rent amount that will enable the Chapter to have a house bill that is competitive, but not below, what residence halls with meal plans charge and what the average fraternity house bill is.

Local Association Dues – Some Associations ask alumni to contribute annually for local alumni dues (similar to annual contributions to a University Alumni Association). Since these dues are paid directly to the Association that are not tax deductible for the donor.

Bricks & Mortar Building Funds/Special Appeals – Many Associations have designated Bricks & Mortar Building Funds operating through their Associations. Gifts to these Building Funds are not tax-deductible but can be used for infrastructure improvements to the Chapter house, such as new windows, roofing, carpeting, fire safety improvements, etc.

Educational Building Funds through Foundation – The tax-deductible route for gifts to a Building Fund is through the FarmHouse Foundation or a local FarmHouse Foundation. Working in close concert with the Foundation Council and FarmHouse Foundation, the Association would need to apply for grants to help cover the educational portion of building improvements, renovations, Chapter house purchases or new building efforts. These grants would be recorded as income to the Association.

Interest – The interest from investments and/or bank accounts can contribute to income if you carry high balances. If the interest is not significant, do not include it in the forecast income. The income off investments must be set aside to fund educational purposes.

**3. Approval** – The Treasurer in coordination with the Executive Committee should prepare the budget, with approval required by the Association Board. The members of the Chapter should have a voice, but must understand that the Association is a business and fair market rent must be charged.

**Rents & Leases**

There are a number of ways for the FarmHouse Association Board to determine the rent it will charge to the Chapter. The most basic is to calculate the total annual costs of the Association (rent/mortgage, improvements, etc.) and divide it by the number of men who will live in the Chapter. However, this can cause problems and may result in some unfair burdens or in the FarmHouse Association not realizing enough revenue to meet its current and future expenses (especially if the house is paid off). Some basic assumptions include that the FarmHouse Association pays for all capital improvements (i.e. new roof, security system, carpeting, furniture, appliances, etc.) and that the undergraduate Chapter pays for common maintenance expenses (i.e. common repairs, cleaning, broken windows, repairing furniture, etc.).

When a lease is signed with the Chapter and Association, it should also include a security deposit, a common amount is a month’s rent, to be paid when the lease is signed. This should be held in an account that bears interest. Assuming there is no damage at the end of the renter’s lease, the full amount, plus interest should be returned within 30 days. Any damages assessed should be paid from this, with the remainder – if any – returned.

Option 1.

$$\frac{\text{Number of Members Living in the Chapter House}}{\text{Net Base Yearly Rent to the FarmHouse Association}} = \text{Rent Per Person Per Bed}$$

$$\frac{\text{Rent Per Person Per Bed}}{9 \text{ months}} = \text{Monthly Rent per Person per Bed}$$



Option 2.

Annual FarmHouse Association Rent = Market Value of Chapter House \* 1% month for 12 months

+ Operating Expense

Ex.	37 Beds @ \$10,000 per bed = \$370,000 * 1% * 12 =	\$44,400
	Operating Expense	
	Property Taxes	\$7,400
	Insurance	\$10,000
	Replacements	\$5,600
	Miscellaneous	<u>\$1,600</u>
		<u>\$24,600</u>
	Annual FarmHouse Association Rent =	<u>\$69,000</u>

Option 3.

$$\text{Annual FarmHouse Association Rent} = \frac{\text{Market Value of Chapter House}}{5.25}$$

This formula is a general rule of thumb used with rooming houses. The divisor is dependent upon local market conditions and may be determined by dividing the selling prices of rooming house properties that have been sold by their gross incomes.

Ex. 37 Beds @ \$10,000 per bed = \$370,000 / 5.25 = \$70,476

\* The Association may need to tweak this formula to adjust for FRMT liability insurance and other Association costs that rooming houses may not incur.

Option 4.

$$\text{Annual FarmHouse Association Rent} = \frac{\text{Gross Income of Chapter}}{3}$$

This formula is based on a rule of thumb where there are more brothers living outside of the house rather than in.

Ex.	37 Live-ins @ \$3,400 per year	=	\$125,800
	48 Live-Outs @ \$1,200 per year	=	<u>\$18,340</u>
	Total Income	=	\$201,740 / 3 = <u><u>\$67,247</u></u>

Option 5.

$$\frac{\text{Annual Mortgage payments} + \text{Property Taxes} + \text{Insurance} + \text{Replacements} + \text{Miscellaneous} + \text{Reserve Allocation}}{\text{House Square Footage}}$$
$$= \frac{(\text{Total Cost per Square Foot} * \text{Square footage per room} / \text{Number of residents in each room}) / 12}{}$$

$$\text{Monthly Rent per person per room} + \frac{(\text{Total Cost per Square Foot} * \text{Square footage common space})}{\text{Total membership}} =$$

Common charges/ 12 = Monthly parlor fee for brother not in house. Live-ins pay rent & Common charge

All housing contracts – between the Association and the Chapter, and with each individual member – should be in writing. There are sample housing contracts and operating agreements at the end of this handbook.

**Long Range Planning & Building Reserve Funds**

Having adequate housing for the Chapter is an important tool for recruiting new members and maintaining an active brotherhood. The Chapter house is a focal point for alumni involvement and pride in the Chapter. Sustaining the quality of fraternity housing and keeping it competitive with other forms of housing available to students should be an important concern of fraternity leaders. In many instances inadequate building reserves have been set aside and the Chapter physical plant is deteriorating to a point that continuation of a Chapter house could be threatened within the next twenty years. For Chapters with relatively modern facilities, it is estimated that the cost of major renovation will exceed the original cost of building the entire house. While some groups have the equity of the current property on which to borrow, they too face the dilemma of the increased cost per member of financing a loan of several hundred thousand dollars.

If costs for Greek housing are to remain competitive with other forms of housing and if the quality of the physical environment of the Chapter house is to be maintained, reserve funds must be built to offset, in part, the loans required at the time of Chapter house replacement or major renovation. It is easy for the Chapter to lose sight of the need for long range planning, but the FarmHouse Association must guard against this for the Chapter and its facilities. The Association should make sure that the Chapter and Association begin adequate financial reserves to overcome potential catastrophes, unforeseen challenges, or simply saving enough to build a new facility when the current one is no longer adequate.

Possible Reserve Funds for the Chapter (with dual custody by the FarmHouse Association):

- Savings Account (Catastrophe Fund)
- Conclave/Leadership Training Allowance Fund
- New Equipment Fund
- Maintenance & Repair Reserves
- Bad Debt Reserve
- Damage Deposit Reserve

FarmHouse Association Possible Reserve Funds:

- Building Fund/Sinking Fund
- Initiation/Transfer Student Fund
- House Bond/Note Reserve
- Mortgage Paydown Reserve
- Continuing Mortgage Payment Fund

A plan to build reserve funds for a Chapter house should include some or all of the following:

1. Educating Alumni & Undergraduates. The FarmHouse Association, and especially the Board, need to educate themselves more completely regarding the financial ramifications of repair and replacement projects necessary in most Chapter houses in the next ten to twenty years. This includes adequate fire safety, such as sprinklers, improved security, and an electrical infrastructure capable of handling today's digital demands. Included in that process needs to be an understanding of tax laws as they relate to developing reserves and the soliciting of gifts for building projects. The FarmHouse Foundation should be consulted regarding programs for fundraising and the possibility of gifts through the Foundation to the Chapter. It is also important that corporation boards become familiar with the range of options available to students in other forms of housing on the campus.
2. A phased-plan for replacement or renovation of the Chapter house. A thorough study of the current facilities should be completed by professionals to project at 0-5 and 5-10-year plans for replacing or major renovations. The study should include an assessment of the structural condition of the house, as well as major operating new systems, i.e., heating, plumbing, electrical, kitchen, etc. Consideration should be given to improvements that may be necessary to remain competitive, i.e., air conditioning, energy-saving improvements, hi-speed Internet access, connecting to the campus network, etc.
3. Multiple Techniques for Developing Reserves.  
**Rent:** While special assessment and other techniques can be used to develop a reserve fund, good fiscal management would suggest the rent should include a reserve and replacement factor. Many Chapters have established rent at a rate that only meets base costs. In effect, the Chapter is currently being subsidized by generations of members before them who initially paid for the house. Houses currently being financed on fixed rate, low interest loan should be in an excellent position to develop cash reserves.

**Building Fund Assessment:** Several groups collect a building fund assessment but usually as one-time (possibly paid in two installments) expense of membership. This may also be part of the parlor fee all brothers pay for maintenance of the house each year. As part of a total plan for developing reserve funds, such an approach is helpful. If it is the sole source of establishing a building reserve fund, it is unlikely adequate reserves can be developed.

**Percent Surcharge on Established Payments:** Some Chapters have felt it useful to develop reserve funds by adding an established percentage to fees regularly paid for pledging, initiation, annual dues to the fraternity, etc. Similarly, a portion of dues annually paid can include a building assessment. This approach alone is unlikely to generate adequate reserves for major improvements, but can be effective in financing needed minor alterations that better maintain the Chapter house. This has the potential of placing too strong a financial burden on the current undergraduates.

**Annual Campaign:** Most Chapters have used a building campaign as a technique to offset construction and/or building repair costs. Well-organized campaigns involving personal solicitation can be very successful. Consideration should be given to an annual Chapter alumni campaign with funds earmarked for renovation or replacement of the Chapter house. Careful management of the fund and a well-prepared plan for renovation or replacement would be an essential part of an annual campaign so as not to conflict with other types of solicitation the alumnus is likely receiving from either the institution or the fraternity. Professional fundraising companies may be appropriate, depending on their cost.

**Parents Club:** For some Chapters solicitation through a Parents Club has been effective for developing reserves and /or responding to immediate needs for repairs or renovation. Parents have a direct interest in the quality of the Chapter house.

4. Management of Building Reserves. One reason few Chapters have adequate building reserves is that reserve funds are often used for operations. Well-established guidelines for the use of reserve funds and professionally qualified management of the investment of reserve funds are important. Competent legal advice on tax implications of reserve funds is also essential. Routine maintenance should be a part of the house budget and should not be allowed to deplete the reserve fund.

All of these areas should be part of the Association's plan to plan for the future and build adequate financial reserves. The Association must assist the Chapter to plan for the future if the Chapter house is to remain a viable part of the fraternity experience.

#### Fundraising Information

The Association may engage in fundraising for charitable purposes just like the active Chapter if two criteria are met.

- (1) The funds realized are used or set aside for charitable purposes
- (2) The proceeds from the fundraiser PLUS all other nonmember income, such as dividends and interest, do NOT exceed 35% of the total gross receipts of the corporation.

If the Association wishes to engage in fundraising to retain the proceeds for its own use OR intends to donate the money to an active Chapter, it must normally pay unrelated Business Income Tax (Form 990-T) on such proceeds. Such proceeds PLUS all other nonmember income (except dividends, interest, and other passive income) CANNOT exceed 15% of the total gross receipts of the corporation.

Total gross receipts include total gross revenues of the Association. Total gross revenue includes all amounts received by the Association, including charitable fundraising proceeds, annual dues, donations, rent, and other revenues. If an Association plans to engage in unusual or non-traditional activity for profit, such as running a store or working the election polls, serious complications can arise, including the non-profit status of the Association and possible the Chapter. Seek competent professional advice BEFORE proceeding with any such plans. Chapters and Associations with substantial sums in savings and investments or that realize a substantial amount of income from investments may wish to establish a Set-Aside Fund. These are available to protect such income from taxation, but such income is still counted in the 35% of total receipts, whether or not it is used for charitable purposes.

### **Maintenance & Capital Improvements**

Maintaining the Chapter house as an enduring legacy for future undergraduates and alumni to enjoy, while ensuring that it is a safe and adequate home that the current brothers can enjoy requires cooperation from the Chapter and the Association and a commitment by both to keep the facility in its best shape for use by the members. The day-to-day upkeep of the facility and small maintenance items should be the responsibility of the Chapter. Basic maintenance – and the cost of the supplies necessary for it would address items such as common repairs, cleaning, broken windows, repairing furniture, etc. The Association is responsible for capital improvements. This includes repairing structural defects in the building, renovations, repairing the roof, security system, carpeting, furniture, appliances, etc. This requires long range planning, and can be very expensive. This is why the undergraduates must ensure that the house is treated with the appropriate care and respect – capital repairs – or even numerous maintenance repairs – can be expensive and age a house and equipment prematurely.

The Association Board and Chapter Director of House Operation, in conjunction with the House Mother, will identify areas for improvement beyond standard maintenance. Prioritizing the list of capital improvements based upon their projected cost, necessity, and building codes is the responsibility of the Association Board once the list of needed improvements or repairs has been made. The undergraduate Director of House Operations and a representative from the Association Board should walk through the Chapter facility with a checklist at least once a month. A complete inspection should be done at the beginning and at the end of each academic term. While the focus of the Director of House Operation's inspection will often be for items that are in need of repair, it is important to be aware of local building and safety codes. Any items that are in disrepair and would be grounds for a possible fine from a building inspector, or more importantly, pose a security hazard for tenants should be addressed immediately. After those items have been addressed, you will need to develop a list of priorities and determine how they fit into the budget with the Association Board.

## **Risk Management**

A Chapter house will often be the focus of safety efforts because it can be the center of the Chapter's fraternity experience.

### Fire Safety

Would every brother survive a fire in the Chapter house? Does the Chapter have working smoke alarms? Does the Chapter house have a sprinkler system or other form of fire retardant system? Does the Chapter have an evacuation plan? Does everyone know that plan? Is the Chapter house up to all fire safety codes? Are there fire extinguishers available throughout the house? This is not solely the responsibility of the Chapter's Director of House Operations and Director of Risk Management. If the answer is "no" to any of these questions, you need to make sure the problems are corrected immediately.

A survey of 260 fraternity Chapter house fires showed that poor housekeeping, careless smoking and match disposal, misuse of electricity by overloading circuit breakers, fuses and/or excessive use of extension cords and defective heating devices were the leading principal causes of fraternity fires. These are ALL preventable. The FarmHouse Association, as Landlord, needs to ensure that the Director of Risk Management and the Director of House Operations are doing their jobs to ensure the Chapter house is safe and secure.

### Security

It is important to have a safe Chapter house. It is the home of the Chapter and all members and guests should feel safe from potential dangers inside and out. Unfortunately, cases of arson and vandalism are not unknown to fraternities. Day-to-day safety & security is the responsibility of the undergraduates – they live there and need to lock the doors.

However, the Association and the Board should take security very seriously. Adequate safety measures often require significant capital outlays and are the responsibility of the Landlord (Association). In addition to preventing a potential tragedy, installing such devices mitigates potential liability if there is an accident. Possible items to protect the House, its residents, and guests, include:

- Security System
- Sprinkler/Fire Retardant System
- Electronic or combination door locks or pass key system
- Install outdoor lighting. Floodlights and security lights are the best way to deter Chapter house vandalism and arson.
- Have bars on any first floor windows and reinforced railings on any balconies or areas where there is roof access.

### Social Events

Poor risk management at a social event can have tragic implications. This may be the Chapter's responsibility, but they must know that the alumni are committed to following all FarmHouse Risk Management policies and will hold them accountable for any violations. The Association must be very clear in its commitment to these standards, especially **strict enforcement of the rule PROHIBITING alcohol in the Chapter house or on FarmHouse property.**

## **Liability Insurance**

FarmHouse has negotiated and purchased a comprehensive liability policy covering all Chapters in the United States and Canada with the most favorable terms and conditions.

### Liability Insurance

Our Chapters are insured with FRMT through our agents Kirklin & Company, Inc. in Omaha, Nebraska.

The liability policy does not cover medical bills for members or pledges who are injured or participating in events of the fraternity. Members should continue to maintain their medical health insurance (e.g. Blue Cross and Blue Shield) and be responsible for their own deductibles and co-payments. Other items that are not covered under the policy include: claims that would be covered under Workers Compensation, fidelity or bond coverage, property coverage or renter's insurance, allegations of discrimination, intentional acts or any other sums that we legally are not obligated to pay.

FRMT provides coverage up to \$6 million per loss (\$1 million primary, \$5 million umbrella) for those sums that we legally become liable to pay as a result of bodily injury, personal injury and property damage. Each Chapter is responsible for a \$2,500 maintenance deductible for any one claim.

The umbrella protects the Chapter, Association, Foundation and International Fraternity officers and volunteers in the event of a catastrophe. Fortunately, we never have had a claim this large but many of our peer fraternities have. The renewal date of this coverage is October 1 of each year, the same as our primary insurance policies.

No insurance policy in the world provides coverage for violations of the law. The FarmHouse insurance program is no exception to this rule. The key points to understand are; (1) compliance with federal, state, local and institutional laws and regulations; (2) compliance with the laws and policies of FarmHouse Fraternity; (3) compliance with the FarmHouse Risk Management Policy.

Those individuals who choose to violate these rules may void any protection for themselves under the Fraternity's insurance program. Their actions may jeopardize the other members, other entities, or other named insureds protected by the FarmHouse program. The following examples are not intended as legal advice but provide illustration:

- With the broad awareness of its membership, members of the Chapter serve liquor to a minor at a Chapter function. Were a lawsuit to result, those individuals found to be in violation of the law and/or FarmHouse policy, [in this case the entire active Chapter] might be without insurance protection.
- Two members of a 65-man Chapter cause injury to someone in connection with a hazing accident. This activity was unauthorized and done secretly without the knowledge of the Chapter, and strictly against Chapter policy. Were a lawsuit to result, those persons (in this case the two members) again found to be in violation of the law and/or FarmHouse policy, could be without insurance protection. The Chapter, Association Board, and other named insureds would be protected.

Although liquor and host liquor coverage may not protect those in violation of the law, these coverages have been broadened to provide coverage to those individuals and entities exposed to claims through no fault of their own. Chapters and Chapter officers are protected from the unauthorized actions of individuals. The assets of Association Boards are protected from the

unauthorized actions of their Chapters. Regional Advisory Councils. Association leaders, and Chapter advisors are protected from unauthorized actions of individual Chapter members and the Chapter as a whole, as are the Association and all other alumni volunteers involved in the fraternity.

Insurance coverage is available to all in most cases as long as legitimate and reasonable efforts are made by Chapter and alumni leaders to attempt to enforce federal, state, provincial, local, institutional, and fraternity laws. If Chapter officers, Association board members, alumni advisory boards, and other alumni volunteers totally disregard their responsibilities by routinely ignoring indications of recurring violations of the law within their Chapters, insurance coverage may in some cases be in jeopardy.

### Property Loss & Damage

Many members mistakenly think the fraternity liability or property insurance coverage provides indemnity for loss of personal belongings in a fire or other circumstance. It does not. The Director of Risk Management should educate all members as to the *real coverages* provided by the fraternity's insurance policies.

- **Fire Insurance.** The General Fraternity policy does not provide insurance coverage for fire or theft. The Association Board or property owner should provide fire insurance – which will not cover the tenant's personal property.
- **Chapter Contents Insurance.** This type of insurance protects all Chapter owned property against losses resulting from fire, theft and vandalism. Find out if your Chapter has such coverage. If unsure about the Chapter's contents coverage, ask the Chapter Advisor or Association Board. Whether or not a Chapter owns its own Chapter house, more than likely it will have several valuable items that should be insured. Composites, supplies and other items of value should be insured against fire, theft or other types of loss.
- **Personal Property or Renter's Insurance.** There is *no coverage* for personal property of members provided by any of the General Fraternity insurance policies. In order to be fully protected, members must obtain coverage from one of two sources: 1) parent's homeowner's policy, 2) separate tenant (or renter's) coverage. It is critical that all members have this understanding of insurance coverage for personal property.

### Illegal Acts

Our insurance policy excludes "illegal acts." It will neither defend nor pay on behalf of anyone who breaks the law. This includes serving or providing alcohol to minors, hazing, sexual abuse or any other illegal activity. It does, however, provide coverage for the vicarious liability of volunteers and officers of the International Fraternity, Chapters, and Association Boards as long as they did not participate in nor have any knowledge of the illegal activity.

Liquor liability is not excluded under the policy unless the Chapter "sells or becomes in the business of dispensing alcohol." If the insurance company invokes this exclusion, then the vicarious liability also is excluded. Chapters and Association Boards always should be certain that alcohol is NEVER sold in any Chapter of FarmHouse. This includes charging for cups or making a cover charge. Chapters that profit from the sale of alcohol open themselves, their parents, their alumni, Association Boards and the Fraternity to a major uninsured exposure.



## **Certificates of Insurance**

### Adding Additional Insureds

Any requests to add third parties such as universities and colleges, landlords or special event sponsors to the FarmHouse group liability insurance policy as Additional Named Insureds, must be made in advance. It takes approximately two weeks to handle such requests, so please plan your requests accordingly. Phone the FarmHouse International Headquarters for more information.

### Requesting Certificates Of Insurance

Property owners (such as a hotel) may require a Certificates of Insurance. This provides the property owner with documentation that a specified level of liability coverage is in force that will be applied prior to the property owner's coverage. The Chapter's original Certificate of Insurance is sent to the Chapter and must be retained in the Chapter's Risk Management files. Additional copies of Certificates are available from the International Headquarters. Please indicate the name and address of the person or organization where the additional Certificate of Insurance is to be mailed. Please allow 10 days for your request to be handled.

Chapters that reside in university-owned residence halls, rental houses or lodges also have special insurance needs that should be addressed. FarmHouse does not provide protection for real or personal property owned by the Chapter, Association Board, university member or guest. This coverage should be purchased locally.

## **V. ADDITIONAL RESOURCES**

### **Sections of the Fraternity By-Laws Governing Associations**

#### ARTICLE VII – FARMHOUSE ASSOCIATIONS

##### SECTION 1.

There shall be established in each place where a Chapter exists, an Association composed of membership as follows:

- a. Chapter, alumni and associate members of the local Chapter of FarmHouse regardless of place of residence;
- b. Alumni and associate members of the Chapters of FarmHouse Fraternity who reside in that state or province;
- c. Honorary members of FarmHouse Fraternity residing in that state or province; or
- d. If more than one Chapter is established in a state or province, an alumnus, associate or honorary member may also become a member of any or all Associations within the state or province.

##### SECTION 2.

In states or provinces that do not have an active Chapter, there may be established a FarmHouse Association for that area provided there are at least a total of ten (10) alumni, associate and honorary members.

##### SECTION 3.

Individuals of all classes of membership shall have full voting rights in the Association of which they are immediate participating members.

##### SECTION 4.

The Constitution of each FarmHouse Association shall be as prescribed by the Fraternity for such Association.

Each FarmHouse Association may modify the prescribed Constitution in accord with the law of the state or province in which it is established and may make bylaws which do not conflict with the Articles of Incorporation and/or bylaws of the Fraternity or the Constitution of the Association.

##### SECTION 5.

Each FarmHouse Association treasurer shall be bonded for an amount equal to the maximum amount of cash and negotiable securities for which the board of directors determines he is likely to be responsible. The cost of the bond shall be paid by the Association.

##### SECTION 6.

Each Association shall annually remit an Association fee as set by the International Board.

## **Outstanding Association Award**

*2004-06 (Due at Conclave 2006)*

The Outstanding Association Award was established at the 1976 Conclave by the International Executive Board as a means of recognizing outstanding work of the Associations in attaining the objectives of the Fraternity. The award is presented at each Conclave - with entries due at Conclave registration.

I. **CATEGORIES:** Of a possible 100 points an Association can earn towards receiving the award, the maximum number of points for each category is:

1.	Contributions to active Chapter	20
2.	Association Board	15
3.	Attendance at Chapter meetings	15
4.	Faculty Advisor Support	10
5.	Financial Management	20
6.	Social Functions	20

II. **JUDGES:** A committee of alumni and undergraduate leaders will serve as judges for this award - no one will be allowed to score their own Association. Each judge will be expected to rate each entry by assigning a point value (between zero and the maximum) for each of the categories. The Association attaining the highest grand total score will win the Outstanding Association Award.

III. **SCORING:** Listed below are criteria to be considered by the judges when scoring the various categories:

**1. Contributions to active Chapter:**

a. Financial - includes donations, fund drives, repairs to the Chapter house, purchases of new equipment (not to include items purchased with Association income from the Chapter). This should be reported on a per capita basis, i.e. \$7.50 per alumnus.

b. Personal - includes being resource people for Chapter retreats, taking part in new member and total membership education programs, mentoring programs, counseling the membership regarding management, financial and personal problems, etc.

**2. Association Board:**

a. Number of board meetings each year, up-to-date file on all alumni and Association members, etc.

**3. Attendance at Chapter meetings:**

a. This should be calculated on the average attendance per Chapter meeting by alumni and associate members.

4. **Faculty Advisor Support:**
  - a. Does Chapter have the required number of faculty advisors? How often does each advisor visit Chapter? How much of a role do the advisors play in the regular operations of the Chapter? Do the advisors attend and participate in Association meetings?
5. **Financial Management:**
  - a. Attach a copy of financial statement
  - b. Attach a copy of most recent audit report
6. **Social:**
  - a. Joint activities held with active Chapter -- watermelon feeds, dances, Founder's Day functions, Homecoming activities, recruitment events, etc.
  - b. Alumni only - Dances, parties, receptions, reunions, picnics, fishing and hunting trips, etc.

#### IV. GENERAL INFORMATION:

1. Associations should be compiling their reports throughout the two years. It is suggested that detailed notes be maintained on each specific area with the final report being submitted at Conclave. (Entries to be based on 2-year activity from one Conclave to the next)
2. The final written report must not exceed two standard **(8 1/2 inch x 11 inches)** pages and typed single spaced for each of the six categories listed above (no more than a total of 12 typed pages for the entry). The report should consist of brief descriptions and/or lists of activities, goals and/or results obtained in each of the categories.
3. (Optional) The report may be submitted in a plain 3-ring binder.
4. No appendixes will be allowed. The only papers that may be attached are a copy of the Association's financial statement and a copy of the most recent audit report.
5. Copies of the Top 3 Outstanding Association Award entries will be distributed to Association presidents by Sept. 15 following each Conclave.
6. The Programs Committee Chairman will present the Outstanding Association Award at the final banquet of Conclave.
7. Please have your delegate bring along your entry or mail by Aug. 1st to:

FarmHouse International Fraternity  
 11020 NW Ambassador Drive, Suite 330  
 Kansas City, MO 64153  
 (800) 722-1905

### **Sample Association Bylaws**

In addition to the Articles of Incorporation required to legally exist within your state, FarmHouse Associations must have Association Bylaws in order for the Chapter to be chartered by the Fraternity. By-laws assist in the maintenance of an efficient organization and provide procedural consistency. FarmHouse Associations should feel free to adopt the enclosed bylaws as a starting point. As the need arises, bylaws can be added or deleted at the discretion of the Association/Chapter. Try to avoid creating a bureaucratic nightmare with the bylaws. Keep things as simple as possible. Remember, becoming officially Incorporated as a legal entity to hold property in your state is the first step, creation of the Association Bylaws is second, although many groups will want to at least develop a draft of the bylaws when completing the Incorporation process.

### **(Name of university) FARMHOUSE ASSOCIATION, INC.**

#### **ARTICLE I – NAME AND LOCATION**

The name of this organization shall be the \_\_\_\_\_(name of university) FarmHouse Association, and its principal place of business shall be (city) \_\_\_\_\_(state or province) \_\_\_\_\_.

Note: According to Article XIV of the International Fraternity’s By-Laws, “Each Chapter shall be known by the name of the institution where it exists.” New FarmHouse Associations are encouraged to follow suit.

#### **ARTICLE II – PURPOSE**

The purpose of this Association shall be to foster the fraternal spirit among the members of FarmHouse Fraternity, to aid in more firmly establishing and perpetrating the \_\_\_\_\_ Chapter of FarmHouse Fraternity, to assist in the total development of the individual member intellectually, spiritually, socially, morally, and physically, and to contract, rent, buy, or sell, hold and manage personal or real property necessary for the furtherance of the purposes of the Association.

#### **ARTICLE III – MEMBERSHIP**

Section 1. The Association shall consist of membership, without stock, and shall be operated on a non-profit basis. All income of the Association shall be devoted to afore stated purpose.

Section 2. Membership of the Association shall be composed as follows:

- a. Chapter, alumni, associate and potential associate members of the \_\_\_\_\_ Chapter of FarmHouse Fraternity regardless of their place of residence
- b. Alumni and associate members of other FarmHouse Fraternity Chapters residing in \_\_\_\_\_(Chapter’s state)
- c. Alumni, associate, and honorary members residing in surrounding states or provinces who have expressed an interest in participating in this Association.

#### **ARTICLE IV. – DUES**

Association membership dues may be established by vote of the membership at the annual meeting.

#### **ARTICLE V. – MEETINGS AND VOTE**

Section 1. Annual Meeting. The Association shall hold an annual meeting for the election of directors and the transaction of business that may properly come before the membership. The directors will determine Place and time of the annual meeting.

Note: Some Associations identify a specific date in the By-laws, for example, “the Saturday nearest April 15<sup>th</sup>.” Most Associations hold their annual meeting in conjunction with Founders Day in the Spring or Homecoming in the Fall. Incorporation laws in your state may require a specific annual meeting date, but probably allow the Board of Directors the flexibility to change this date.

Section 2. Special Meetings. Special meetings may be called at any time by a 2/3 vote of the Association Board at such time and place as the Association Board directs.

Section 3. Meeting Notice. Notice of any meeting shall be sent to all members at their last known address at least fifteen days prior to the date of the meeting.

Section 4. Quorum. In the event a quorum is not present at any meeting, the members may adjourn the meeting to a later date without further notice. A quorum shall consist of \_\_\_\_\_ (15% – 30% recommended).

Note: A quorum in any meeting should be a certain minimum number or percentage number of members as set by the vote of the membership. The number necessary for a quorum should be small enough to allow the group to take official action, but should not be so small as to permit a few men to dominate and run the Association indefinitely.

Section 5. Voting. Each member is entitled to one vote, with voting governed by parliamentary procedure according to Robert’s Rules of Order. Members may vote by mail ballot sent to the Secretary on amendments to these By-Laws, on assessments, and on any other mail balloting of the membership.

## **ARTICLE VI – OFFICERS**

Section 1. Directors. The business of this Association shall be conducted by a Board of (number recommended 10 -18) \_\_\_\_\_ Directors, three of whom shall be undergraduate members of the Chapter, specifically the President of the \_\_\_\_\_ FarmHouse colony/Chapter, one of whom shall be the Chapter/colony Vice President of Finance, and one of whom shall be the colony/Chapter Director of House Operations. Directors other than the undergraduate members shall be elected for \_\_\_\_\_ (recommended 3) year terms, with terms staggered such that \_\_\_\_\_ (recommended 2) new directors will be elected at each annual meeting. After his 3-year term is ended, a former director must wait one year before being elected again to the Board.

Note: The number of directors is flexible, but usually is from 10-18. Some boards have two undergraduate members instead of three. The length of terms of directors is also flexible. The International Office recommends terms of at least two years (possible three years), with 1/3 – 1/2 of the board newly elected each year. The manner in which directors are elected has been left out here and is left up to the Association to decide. Many are elected by mail or email ballot vote from all members of the Association, some by voice vote at Annual Association Meetings after

recommendations by a nominating committee, and various other ways. In some FarmHouse groups the officers of the Association are also the officers of the local Foundation Council.

Section 2: The Board of Directors shall elect from among their number a President, Vice President (Housing), Treasurer, and a Secretary. Officers shall serve for 1-2 years (Association should define) or until a successor is elected.

Note: Some officers are elected to two and three year terms. State law may limit the terms of offices.

Section 3. Vacancies. The Board of Directors shall fill by appointment any vacancy occurring in its membership, such appointment holding until the next annual meeting, when the members shall fill unexpired terms by election.

Section 4. Quorum. Attendance by 15-30 percent of the Association Board shall constitute a quorum at any meeting of the Association Board, provided at least one undergraduate director is present. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board.

Note: By stating 15-30 percent of the Board shall constitute quorum it enables the Association to conduct official business through the Executive Committee and at least one undergraduate director.

Section 5. Removal. Any director may be removed from the board due to unsatisfactory service or non-performance of duty by a two-thirds vote of the remaining members of the Board.

Section 6. Compensation. No officers or director shall receive any salary or payment for his services.

## **ARTICLE VII – DUTIES OF DIRECTORS**

Section 1. Management of Business. The Association Board shall have general supervision and control of the business and affairs of the Association, and shall make all necessary rules and regulations not inconsistent with law, or with the by-laws of FarmHouse International Fraternity, or the by-laws of this Association, or the Certificate of Incorporation, for the management of the Association. It shall be their duty to require proper records to be kept of all business transactions.

Section 2. Bonds. A blanket crime policy shall protect the Association in the event of misappropriation of funds, embezzlement or fraud. The Association shall pay the cost of said bond.

Section 3. Meetings. The Association Board shall meet once each month at such time as they may agree upon. The President or two directors may convene a meeting of the directors at any time. Notice of such meeting shall be communicated to each director not less than 24 hours before the meeting is to take place, provided that meetings of the directors may be held at any time, without formal notice, if all directors are present, or those absent have waived notice or have signified their consent to the meeting being held in their absence.

Section 4. Annual Audits. At least once in each fiscal year the Association Board shall have an audit made of the books of the Treasurer and the report of this auditor or auditing committee shall be submitted to the members of the Association at their annual meeting.

Section 5. President. The President shall preside over all meetings of the Association and of the Board, sign as President with the Treasurer all notes, deeds, contracts, conveyances, agreements, and other instruments requiring such signatures, call special meetings of the Association and of the Board, and perform all acts and duties usually required of an executive and presiding officer.

Section 6. Vice President. The Vice President shall be vested with all the powers of the President in his absence and is charged primarily with physical plant maintenance, repair and upkeep of the Chapter house, working closely with the Chapter's Director of House Operations to ensure that the Chapter house meets fire and health codes and to address housing needs as they arise, serve as the liaison with any contractors for repairs or construction; oversees the Chapter's long-term needs for housing, if the Chapter rents, he will often be the Board's liaison to the landlord.

Section 7. Treasurer. The treasurer shall be vested with all the powers of the President in his absence or disability, shall generally be in charge of all committee work, and shall perform other duties as shall be prescribed by the Board. The Treasurer shall be the custodian of the permanent funds and securities of the Association; shall keep or cause to be kept a full and complete record of all receipts and disbursements; shall pay out money upon the approval of the Board and with the joint signature of the President; shall deposit all moneys and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors; shall sign as Treasurer with the President, all notes, deeds, contracts, conveyances, agreements, and other instruments requiring such signature; shall present a report of receipts and disbursements at each meeting of the Board; and shall present a yearly financial summary at each annual meeting.

Section 8. Secretary. The Secretary shall keep a complete record of all meetings of the Association and of the Board; serve all notices required by law and by these By-laws; shall keep a complete record of all business of the Association and make a full report of all matters and business pertaining to his office to the members at the annual meeting; shall make all reports required by law and perform such other duties as may be required of him by the Association or by the Board.

#### **ARTICLE VIII – FINANCIAL MATTERS**

Section 1. Contracts. Except as otherwise provided in these By-laws, the Board may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name and on behalf of the Association and such authority may be general or confined to specific business. No debts shall be contracted against the Association except by order of the Board or persons specifically authorized by the Board.

Section 2. Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money and all notes, bonds or other evidence of indebtedness issued in the name of the Association shall be jointly signed in the name of the Association by one of the four Executive Committee offices of the Association.

Section 3. Deposits. All funds of the Association shall be deposited from time to time to the credit of the Corporation in such bank or banks as the Board may select.



Section 4. Fiscal Year. The fiscal year of the Association shall be determined by a majority vote of the Board of Directors.

Note: Many Associations go by a September 1 – August 31 fiscal year, consistent with the FarmHouse International Headquarters.

Section 5. Accounting System and Reports. The Board shall cause to be established and maintained, in accordance with generally accepted principles of accounting, an appropriate accounting system including reports.

Section 6. Non-Liability for Debts. No member shall be liable or responsible for any debts or liabilities of the Association. The private property of the members shall be exempt from execution or liability for any debt of the Association.

### **ARTICLE IX – COMMITTEES**

Section 1. The Board should authorize an executive committee consisting of the Association President, Vice President (Housing), Treasurer, Secretary and one Chapter officer (President, VP – Finance or Director of House Operations) to make day-to-day business decisions of the Board. This committee shall have full authority to manage the affairs of the Association between meetings of the Board, subject to review and change of actions taken by the Board provided that no vested rights of third parties shall be adversely affected thereby.

Section 2. Any member of the Executive Committee who is unable to attend a meeting therefore may name any director to serve in his stead with full authority in such meeting.

Section 3. The President (or in his absence the Vice President) may call meetings of the Executive Committee upon 24 hours' notice and meetings may be held at any time upon waiver of notice.

Section 4. Standing Committees. A property committee and a finance committee shall be appointed by the president from among the members of the Board to serve during his term of office. The chairman of each standing committee may call other members of the Association to his assistance as desired.

Note: While it is recommended that at least one board member be on each of the following committees, participation should not be limited to board members. This committee work provides an excellent opportunity for non-board members of the Association to become involved. The chairman of each committee need not be a board member either.

Section 5. Property Committee. This committee shall be responsible to the Board for the leasing, repairs and upkeep of grounds and building, the payment of taxes, the insurance of property and such other matters as may arise pertaining to the property.

Section 6. Finance Committee. It shall be the duty of the Finance Committee to submit to the Board from time to time as may be necessary a budget of the probable expenditures of the Association, and to recommend ways and means of raising funds to meet expenses. The committee should also

be involved in helping the Chapter's Vice President of Finance and Chapter executive committee in their budgeting duties and cash flow planning.

Section 7. Ad Hoc Committee. A Nominating Committee of three members and a Doane Award Committee of three members shall be appointed by the President from the membership of the Association.

Section 8. Nominating Committee. The Nominating Committee shall present a slate of nominees for the office of director at the annual meeting. There can, however, be nominations from the floor at election time.

Section 9. Doane Award Committee. The Doane Award Committee shall facilitate the Doane Award process. They shall request nominations at a Chapter meeting, review nominations submitted by the active membership, select a recipient, and arrange for presentation of the award. The committee shall prepare a summary paragraph of the recipient's qualifications for entry in the Doane Award Book.

Note: Procedure for selection of the Doane Award winner is outlined in the FarmHouse Membership Handbook.

#### **ARTICLE X – BY-LAWS**

The Board shall have the power to make such by-laws as may seem expedient, but such by-laws shall be subject to repeal or amendment by any meeting of this Association. The Board shall not have the power, however, to pass any by-laws that would alter the status of the Association beyond the ability of the members to restore the former status at any annual meeting.

#### **ARTICLE XI – AMENDMENTS**

These By-laws may be amended at any regular or special meeting by a two-thirds (2/3) voting in person, or by mail, provided that no amendment shall be adopted unless a copy of such proposed amendment shall have been included in or enclosed with the notice of such meeting.

Note: Some Associations require a three-fourths (3/4) majority vote to amend the By-laws.

#### **ARTICLE XII – DISSOLUTION**

After fulfillment of the requirements of the law on dissolution or after discontinuance of business and payment of debts, any surplus shall be transferred as a gift to FarmHouse International Fraternity, or to another Association or corporation having purposes similar to this Association, or shall be distributed for charitable purposes related to the purposes stated herein, or shall be given to the International Fraternity for safekeeping (and with no interest) until such time as this Association is reactivated, such time not to exceed five years.

Note: A statement regarding dissolution is required to obtain a bulk mail permit and for possible other legal requirements of a non-profit corporation.

### **ARTICLE XIII – INDEMNIFICATION**

This Association shall, to the full extent permitted by law, indemnify any director or officer of this Association against expenses including attorney's fees, judgments, fines and amounts paid in settlement reasonably incurred in the defense of any action, suit or proceeding, civil or criminal, in which he is made a party by reason of being or having been such director or officer of this Association, except in matters in which it is finally adjudged in such action, suit or proceeding that he is liable for negligence or willful misconduct in the performance of his corporate duties.

Note: Once completed and ratified, send a copy of the Association By-laws to the FarmHouse International Fraternity Office to be kept on file for reference.

**Sample Association/Chapter Operating Agreement**

**Agreement Between \_\_\_\_\_ FARMHOUSE ASSOCIATION  
AND  
\_\_\_\_\_ CHAPTER OF FARMHOUSE FRATERNITY**

The Directors of \_\_\_\_\_ FarmHouse Association, a (state of incorporation) non-profit corporation, designated here as the ASSOCIATION, as Landlord, have this day rented to the \_\_\_\_\_ Chapter of FarmHouse Fraternity, designated here as the CHAPTER, as Tenant, the following real estate in the city of \_\_\_\_\_, County of \_\_\_\_\_, State of \_\_\_\_\_ (Province of \_\_\_\_\_):  
[Legal Description of Property]

From the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ to the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, and from year to year thereafter unless notice of amendment or termination is given by the parties as hereinafter provided, at a rental of \_\_\_\_\_ due on the \_\_\_\_\_ day of each \_\_\_\_\_.

To be paid to the \_\_\_\_\_ of the ASSOCIATION on the \_\_\_\_\_ day of each \_\_\_\_\_ during the term of this Agreement.

The Conditions of this Agreement are:

1. That the CHAPTER pay the rent promptly as it becomes due;
2. The CHAPTER is not a subordinate or agent of the FarmHouse Association.
3. That the CHAPTER members treat the premises as their home, and that they keep them in good condition and repair at all times, reasonable wear and tear and damage by fire or other unavoidable casualty only excepted;
4. The CHAPTER and each member, resident, and non-resident member individually (Sub-Lessees) will adopt, comply with, and enforce any risk management policies, rules or regulations established by the CHAPTER, the ASSOCIATION, insurer, school, and FarmHouse International Fraternity.
5. That the CHAPTER be responsible for the collection of rental revenue from its members and occupants, and make any necessary arrangements for the collection of such revenue;
6. That the CHAPTER, at its own expense, keep the lawns, trees, vines, bushes, and hedges of the premises cut, watered, and trimmed during the term of this lease;
7. That the CHAPTER not injure, overload or deface, or allow to be injured, overloaded or defaced, the premises or any part of them;
8. That the CHAPTER be physically and financially responsible for routine maintenance and minor repairs necessary to the preservation and ordinary operation of the building, such as leaky faucets, faulty electrical switches, routine heating and air-conditioning repairs, and similar developments and malfunctions;
9. That the CHAPTER make no alterations, additions or improvements without consent of the ASSOCIATION, but after consent has been given, unless otherwise agreed upon in writing, all alterations, additions and improvements made by the CHAPTER upon said premises shall be at the CHAPTER'S own expense, and, at the option of the ASSOCIATION, shall

- remain upon the premises at the expiration of this agreement and become the property of the ASSOCIATION as a further consideration of this lease;
10. That the CHAPTER furnish heat and all utilities for the premises, and promptly pay all gas, oil, electricity, water, heating or air-conditioning service, and telephone rates and charges, and any other bills or charges incurred in connection with the operation or maintenance of the real property which may become due and payable during the term of this agreement;
  11. That the CHAPTER use the premises only as a fraternity house and in accordance with the laws, regulations and ordinances of the United States of America, (Commonwealth of Canada), State of \_\_\_\_\_ (Province of \_\_\_\_\_), the City of \_\_\_\_\_, \_\_\_\_\_ University, FarmHouse International Fraternity, and the duly authorized governing bodies of the fraternity system.
  12. That the ASSOCIATION place the building in reasonable good condition considering the age and present condition and the use to which it is to be put, namely a fraternity house, during occupancy.
  13. That the ASSOCIATION be financially responsible for the maintenance and preservation of the exterior of the building, namely the weather-boarding, gutters, downspouts, roof, fire escapes, masonry, and the replacement of them if needed;
  14. That the ASSOCIATION provide adequate insurance against loss by fire, any extended hazard perils for the real property and adequate liability insurance, and that the CHAPTER be responsible for all other insurance.
  15. That the ASSOCIATION pay governmental assessments and real property taxes, if any, levied against the premises.
  16. That the ASSOCIATION retire, according to schedule, any indebtedness which may encumber the leased premises, except any liens created or permitted by the CHAPTER.
  17. That the CHAPTER not assign, sublet or part with the possession of the whole or any part of the rented premises without first obtaining the written consent of the ASSOCIATION.
  18. That the duly authorized agents and representatives of the ASSOCIATION and/or University have the right at any time to enter upon and in the premises for the purpose of inspecting them;
  19. That at the expiration of the term of this agreement the CHAPTER shall deliver up the premises to the ASSOCIATION; neither the terms of this agreement nor possession of the premises shall in any way serve as an option for renewal. It is further agreed between the ASSOCIATION and the CHAPTER that for violation of any of the terms and conditions of this agreement by the CHAPTER, or upon the CHAPTER'S failure to perform any of the terms and conditions, then and in either of these events and without previous notice or demand, this agreement shall be forfeited and the CHAPTER shall, upon violation or failure forfeit and lose all right, title and interest in and to this agreement and the real estate, and the right to possess, use and occupy the premises shall be terminated and lost to the CHAPTER. This CHAPTER'S possession of the real estate after any such violation or failure shall be unlawful and without right, and the CHAPTER may be required to give immediate possession at any time after forfeiture of this agreement. The failure of the ASSOCIATION to exercise any right reserved to it by this agreement shall not stop the ASSOCIATION from asserting such right at any time.
  20. That both parties to this agreement will submit, one to the other, a financial report reflecting the budget and economic status of each annually during the term of this agreement.

The terms, conditions and covenants of this agreement extend and are binding on both parties unless and until revised and upon the heirs, executors, administrators and personal representatives of the CHAPTER and the agents, representatives and successors of the ASSOCIATION.

In Witness Whereof, the said parties have set their hands and seals this \_\_\_\_day of \_\_\_\_\_, 20\_\_\_\_  
CHAPTER (Tenant) ASSOCIATION (Landlord)\_\_\_\_\_ CHAPTER  
\_\_\_\_\_ FARMHOUSE ASSOCIATION Of FarmHouse Fraternity

By \_\_\_\_\_  
(Association President)

By \_\_\_\_\_  
(Chapter President)

By \_\_\_\_\_  
(Association Treasurer)

By \_\_\_\_\_  
(Chapter VP – Finance)

**(Sample – insert University Name) FarmHouse  
Association and Chapter Policies  
On sharing expenses and responsibilities**

Item	Association	Chapter	Member
<b>A. General</b>			
1. Enforce the FarmHouse International and campus alcohol and drug policies.		X	
2. Pay premiums on general liability insurance (costs included in rent to Chapter)	X		
3. Purchase property, fire and boiler insurance for house (does not cover member items)	X		
4. Purchase renter's insurance for personal property (computers, electronics, clothing, etc.)			X
5. Maintain the entire building in such a manner that it will meet all state and local fire codes, including monitoring all electrical hookups for safety		X	
6. Purchase and maintain fire and smoke alarm system and fire extinguishers (including regular inspections)	X		
7. Oversee and maintain interior temperature at a safe level year-round (not less than 60 degrees in winter), including preventing water pipes from freezing in wintertime.		X	
8. Pay all utility and heating bills		X	
9. Repair windows, walls, appliances, doors, furniture and furnishings damaged by or broken by members. Repairs are to meet original standards of workmanship.		X	
10. Maintain exit signs and follow all state and local fire regulations		X	
11. Contract with members (and summer residents) and collect house bills, including a systematic policy for dealing with overdue bills.		X	
12. Hire the cook, housemother and other employees as needed by the Chapter in consultation with the Chapter Advisors and Association Board		X	
13. Pay direct expenses of FarmHouse Alumni Newsletter	split	split	
14. Prepare and mail a regular FarmHouse Alumni Newsletter (at least 1 per semester)		X	
15. Arrange for annual Association financial audit	X		
16. Conduct the Annual Chapter Audit process	X		
17. Manage an active and continuing FH building fund	X		
18. Keep an inventory of Association property	X		
19. Keep an inventory of Chapter property		X	
<b>B. Exterior of the Chapter house, storage shed and grounds</b>			
1. Care for the yard, including watering, fertilizing, weeding, cutting the grass and routine shrubbery trimming (major tree and shrub trimming/removal requires approval by Assoc Board)		X	
2. Provide all hand tools, hoses and similar items needed to maintain the grounds		X	
3. Remove snow from sidewalks and steps and direct the removal of snow from parking lot		X	

Item	Association	Chapter	Member
4. Pay for removal of snow from parking lot and driveway		X	
5. Pay for any lawn mowing or purchase and maintenance of any lawn mower		X	
6. Pay for construction and repair of sidewalks, steps, paving of parking lot and patio	X		
7. Pay for construction and maintenance of the physical structure of the house, including roofing, brickwork and painted areas	X		
<b>C. Kitchen, pantry and dining room</b>			
1. Purchase dishes, flatware, other utensil and tablecloths.	Share	share	
2. Purchase tables and chairs for the dining room	X		
3. Purchase small appliances such as toasters, slicers and microwave ovens		X	
4. Purchase large appliances such as dishwashers, industrial mixer, refrigerators, freezers, convection oven	X		
5. Maintenance of dishes, flatware, other utensils, tablecloths, tables, chairs and kitchen appliances and equipment (year round)		X	
6. Painting and minor electrical and plumbing repair		X	
7. Responsibility for maintenance of cleanliness of kitchen to meet state and local health and cleanliness codes		X	
8. Purchase attached fixtures such as light fixtures, smoke detectors, etc.	X		
<b>D. Living rooms, study rooms, sleeping rooms, computer room, stairs, closets, hallways and library</b>			
1. Purchase and maintain furniture, including living room patio, and furnishings but excluding stereos, TVs and computer equipment	X		
2. Purchase and maintain living room, study rooms, sleeping rooms, and library furniture		X	
3. Pay for tuning the piano	X		
4. Update and maintain all trophies, plaques and related items		X	
5. Pay for cleaning carpets		X	
6.. Cleaning and polishing tile, terrazo and hard-surface, finishing floors		X	
<b>E. Basement (TV room, Chapter room, group study room, laundry area, storage areas)</b>			
1. Purchase and maintain furnace, water heater, air conditioners	X		
2. Purchase chairs for Chapter room and group study room, tables for group study room	X		
3. Monitor storage areas such that no fire, mildew or pest problems occur		X	
4. Service furnace each year		X	
5. Service water heater and have it certified annually		X	
6. Supervise and maintain all food and beverage dispensers		X	
7. Purchase and maintain washer and dryer for laundry area		X	



## Sample Room & Board Contract

FarmHouse Fraternity  
(insert University)

### HOUSE CONTRACT

Student's name: \_\_\_\_\_  
Date of Birth: \_\_\_\_\_ Social Security Number: \_\_\_\_\_  
Home Phone Number: \_\_\_\_\_ Pledge Year: \_\_\_\_\_  
Security Deposit Amount: \_\_\_\_\_  
Contract Term: \_\_\_\_\_ years from date of execution.

FOR GOOD AND VALUABLE CONSIDERATION, the (insert) Chapter of FarmHouse Fraternity, an unincorporated Fraternal Organization (hereinafter "Chapter") whose individual members are also active members of the (insert) FarmHouse Association, Inc., a (insert) Not-For-Profit Corporation (hereinafter "Association"); the above-named Student of the University of (insert), an active member or prospective member in good-standing; and the Student's undersigned parent(s) or legal guardian(s) do hereby mutually convent and agree:

1. PRIVILEGES: The Student shall be entitled to all privileges of affiliation with the Chapter in accordance with the Charter and by-laws of Chapter and the Constitution and General Statutes of FarmHouse Fraternity.
2. ROOM AND BOARD:
  - a. The Chapter shall furnish room and board to the Student in the Fraternity House (hereinafter "House") which is owned by the Association, maintained by the Association and Chapter on the campus of the University of (insert), with an address of (insert);
  - b. The Chapter shall provide to the Student such services as are customarily furnished by the Chapter to residents of it's House;
  - c. This Contract is for living space in the House and nor for any particular room. The Chapter reserves the right to assign the Student to a room and to changes his room assignment. If the Student is occupying a multiple-occupancy room, this Chapter reserves the right to assign and change his roommate(s). If a student wishes to make permanent improvements to a room, he may do so consistent with the room improvements policy of the Chapter;
  - d. The House shall be available for occupancy by the Student from four (4) days before the beginning of the Fall semester to the end of the Spring semester final examinations;

- e. Board shall be available from the first day of classes through the last day of classes each semester. Board shall consist of 14 meals per week, to be served on the days and at the times determined by the Chapter; provided, however, that no meals will be served on University holidays or during vacations. The meals furnished under this Contract are not transferable by the student to other persons. The Student may pre-arrange for his meal(s) to be served at a time other than usual serving times. Under all other circumstances, meals will only be served during the hours determined by the Chapter. The Chapter shall not be responsible for meals not served for reasons beyond its control or due to majority vote.
- f. The Student shall use the House only for residential purpose and shall not conduct any business or commercial enterprise therein. The Student shall comply with all local, state and federal laws, ordinances and regulations with the rules and regulations, by-laws, policies and procedures of the Chapter, Association, FarmHouse Fraternity, Inc., and the University of (insert).

### 3. CHARGES:

- a. In consideration for such rooms, board and membership benefits, the Student shall pay to the Chapter all charges set by the Chapter during the term of this Contract;
- b. The Student shall pay to the Chapter such individual charges as he may incur for optional goods and services furnished by the Chapter, such special assessments as the Chapter may levy upon its members, and such initiation fees, and the international fraternity dues as are customarily charged or assessed by the Chapter. Such charges, assessments, and fees shall be paid as may be determined by the Chapter.
- c. Monthly House Bills are due seven (7) days after they have been issued. Members who are waiting on student loans or other types of financial aid will be permitted to defer the payment of their House bills until such money is received by them; provided, however, that such members provides written notice under the terms set forth in paragraph 8.f that they are waiting on a student loan or other type of financial aid. Such notice must be verified by the Bursar's office of the University of (insert);
- d. Damage to a room or its furnishings beyond ordinary wear and tear, as determined in the sole discretion of the Chapter, will be charged to the Student(s) occupying the Room. Damage to room or property used in common with other Students will be charged to all Students equally. If responsibility for damage is acknowledged by one or more Students, the damage will be charged to each Student(s);
- e. The Student understands that all rates and charges are subject to change by the Chapter.

4. **MONETARY DEPOSITS:** The Student shall pay to the Chapter upon execution of this Contract a security deposit in the sum specified above. The deposit shall be held by the Chapter and may be applied by the Chapter to remedy any default of the Student's full performance of his obligations under this Contract.
5. **ENCUMBRANCE:** The Student (and his Parent or Guardian, if he is a minor) expressly agrees that at the request of the Chapter, the University of (insert) may encumber the Student for failure to pay, when due, all room rental, food charges, and dues that apply uniformly to all members of the Fraternity. (Monies owed to the Chapter for fines, telephone charges, and jewelry are examples of item costs for which Students may not be encumbered.) The Student (and his Parent or Guardian, if he is a minor) expressly authorizes the University to make such encumbrances with full knowledge that such encumbrance may deny the Student access to his transcript of academic records and preclude him from continued enrollment in the University. The Agreement and Authorization shall not impair or limit the Chapter with respect to the unpaid obligations for which the encumbrances were made. This paragraph shall not apply to any obligations which may be incurred by the Student after he ceases to be a Student at the University of (insert).
6. **FINES AND PENALTIES:** With the exception of the verified payment delay due to a pending student loan disbursement as described in Paragraph 3(c) above, if the Student fails to pay any sum under this contract to the Chapter when it is due, he shall pay such fines or penalties as may be provided by the Chapter's by-laws, plus interest on the unpaid sum at the annual rate of eighteen percent (18%) (1.5% monthly), and all costs of collection, including reasonable attorney's fees, which the Fraternity may incur in connection therewith. If the Student fails to pay any sum under this contract to the Chapter within thirty (30) days of its due date, the Chapter may discontinue providing board and membership benefits to the Student until he has paid the delinquent installment. However, prior to such discontinuation of board and benefits, the Chapter shall provide seven (7) days notice pursuant to the notice requirements found in paragraph 8.f.
7. **STUDENT'S RESPONSIBILITIES:**
  - a. The Student shall take good care of the House and its furniture, furnishings and equipment; shall keep them in neat, clean and orderly condition; shall permit no waste or damage to be committed in or upon them; and shall make no alterations or additions to the Chapter House without the prior written consent of the Chapter and the Association. Upon the expiration or other termination of this Contract, the Student shall remove his personal property from the House and shall peaceably surrender possession of the premises and property in clean condition and good repair, ordinary wear and tear resulting from careful usage alone accepted. After surrender of possession by the Student, the Chapter shall have the right to dispose of any personal property left by the Student in or on the House premises, and the Chapter shall not be responsible to the Student to account for the disposition of such property;
  - b. Cooking is prohibited in the individual rooms.

8. RIGHTS:

- a. The Chapter reserves the right to enter the Student's room during reasonable hours for the purpose of inspecting the room and making such repairs, alterations, additions, and improvements as the Chapter or the Association may deem necessary or desirable;
- b. The Chapter may terminate this Contract if the House becomes uninhabitable.
- c. The Chapter may terminate this Contract and take possession of the Student's accommodation at any time after the notice is given to the Student pursuant to paragraph 8.f. if the Student fails to comply with any of the terms and conditions of this Contract. Such conditions include, but are not limited to, the following: (a) the Student has violated any term of this House Contract; (b) Student misconduct as determined by a majority of the Chapter members in consultation with the Chapter Advisory Committee and the Association Board of Directors; (c) the Student fails to maintain a membership in good standing with the Chapter or FarmHouse Fraternity; (d) the Student fails to make the necessary grades as determined by the Chapter; or (e) the Student fails to maintain in good standing his enrollment at the University of (insert). In such event, the Student shall be responsible for any loss of revenue sustained by the Chapter, and the Chapter, at its option, shall be permitted to retain all sums paid to it hereunder by the Student to credit against any such loss of revenue, without limiting its rights to collect further loss of revenue and any other damages from the Student;
- d. The Student shall not sell or assign this Contract without the prior written consent of the Chapter. No modification of this Contract shall be effective unless it is made in writing and is signed by the Student, and the Chapter President;
- e. This Contract may be cancelled by the Student if he no longer wishes to remain a member of the Fraternity; provided, however, that he does so by giving one full semester's notice of his intent to cancel as set forth in paragraph 8.f. and by paying the full amount of his house bill(s) for the notice period. Due to possible phenomena beyond an individual's control and/or acts of God, this paragraph is subject to a two-thirds (2/3) vote by the Chapter for each individual case to be enforced;
- f. Any notice required to be given pursuant to the provisions of this Contract shall be as follows:
  - i. Notice to this Chapter shall be by written notice sent by certified mail, return receipt requested to the President of the Chapter;

ii. Notice to the Student shall be written notice sent by certified mail, return receipt requested to him, c/o his Parent-Guardian as shown below.

g. Rights and remedies of the Chapter under this Contract shall be in addition to and cumulative of those provided by law.

9. WAIVERS AND/OR LIABILITIES:

- a. The waiver of any violation or breach of any provision hereof shall not constitute a wavier of any subsequent violation or breach of either that same provision or any other provision hereof:
- b. The Chapter, the Association, and their Officers, directors, employees, and agents shall not be responsible for any injury, loss, or damage to the Student or to the Student's property resulting from fire, theft, or other cause. Neither the Chapter nor the Association carries any liability, casualty, or fire insurance on any personal belongings of the Student in the House. The Student shall insure any property that he brings onto the House premises against the risk of loss or damage;
- c. The Student and his undersigned Parent(s) or Legal Guardian(s) shall be jointly and severally liable for the Student's full and faithful performance of the terms and conditions of this Contract, including but not limited to the personal guarantee of the payment of any and all money now or hereafter owed by the Student pursuant to the Contract.

10. GENERAL PROVISIONS:

- a. This Contract is made with reference to and shall be construed in accordance with the laws of the State of (insert), in which state it shall be performed by the parties. Any action arising under the terms and conditions of this Contract may be brought in any local, state or federal court located in the County of (insert), State of (insert), having jurisdiction of the subject matter, and the undersigned parties hereby consent that any such court shall have personal jurisdiction over them with respect to any such action;
- b. The Student shall comply with all local, state and federal laws, ordinances and regulation and with the rules and regulations, by-laws, policies and procedures of the Chapter, Association, FarmHouse Fraternity, Inc. and the University of (insert).

11. TERM

The term of this contract is for four years from the date of the execution of the contract, covering \_\_\_\_\_ academic years.

IN WITNESS WHEREOF, the parties hereto have set their hands as of the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ and caused this Contract to be executed.

FARMHOUSE CHAPTER:

STUDENT:

By: \_\_\_\_\_

\_\_\_\_\_  
Signature

Its: \_\_\_\_\_  
FarmHouse Chapter Officer

\_\_\_\_\_  
Printed

\_\_\_\_\_  
Home Address

\_\_\_\_\_  
City, State, Zip

PARENTAL/GUARDIAN PERSONAL GUARANTEE OF PAYMENT

I (We), the undersigned do hereby personally guarantee payment of all fees and moneys due now or hereafter under the terms of this Contract, regardless of the majority status of the student. I (We), the undersigned, have read this Contract in whole, and consent to all of its terms.

DATE: \_\_\_\_\_

\_\_\_\_\_  
Parent-Guardian

\_\_\_\_\_  
Parent-Guardian

\_\_\_\_\_  
Home Address(es)

\_\_\_\_\_  
Home Telephone Number(s)

\_\_\_\_\_  
Work Telephone Number(s)

## Sample Association Budget

### 2005-06 Budget (insert) FarmHouse Association

<b>Income:</b>	<b>04-05 actual</b>	<b>05-06 budget</b>	<b>Actual</b>	<b>Variance</b>
Chapter Rent	83,000	85,000		
Local Assoc Dues	450	500		
Bldg Fund appeal	5500	5000		
Grants from Fnd Bldg Fund	0	0		
Educ. Grants from Local FH Fnd.	1500	2500		
Interest	450	500		
<b>Total Income:</b>	<b>90,900</b>	<b>93,500</b>		

<b>Expenses:</b>	<b>04-05 actual</b>	<b>05-06 budget</b>	<b>Actual</b>	<b>Variance</b>
Mortgage Payment	42000	42000		
FRMT Insurance	6050	6350		
Property Insurance	7500	8000		
D&O/Crime Insur.	80	85		
Property taxes	10250	10500		
House Repairs/improvements	7850	8000		
Academy sponsorship	700	1000		
Conclave sponsorship	0	1500		
RLC sponsorship	0	1000		
Founders Day support	200	200		
Homecoming support	200	200		
Alumni Picnic support	115	200		
Parents event support	200	200		
Senior recognition dinner	650	600		
Chap/Assoc retreats	420	500		
Newsletter	575	600		
Fundraising/phone-a-thon	375	400		
Tax/accounting preparation	500	500		
Assoc Dues to Int'l	200	200		
Chapter scholarships	1000	1000		
Phone/postage/supplies	265	300		
Transfer to Bldg Fund/Reserve	11,770	10165		
<b>Total Expenses:</b>	<b>90,900</b>	<b>93,500</b>		

**Sample Inspection Checklist**

<b>Site—Overall</b>	<i>Condition</i>	<i>Comments</i>
<input type="checkbox"/> Curbs/Sidewalks	_____	_____
<input type="checkbox"/> Parking Areas	_____	_____
<input type="checkbox"/> Landscaping	_____	_____
<input type="checkbox"/> Recreational Areas	_____	_____
<input type="checkbox"/> Trash containers	_____	_____
<input type="checkbox"/> Fences/Gates	_____	_____
<input type="checkbox"/> Signage	_____	_____
<input type="checkbox"/> Lighting (Interior)	_____	_____
<input type="checkbox"/> Lighting (Exterior)	_____	_____
<input type="checkbox"/> Cleanliness	_____	_____

<b>Building—Overall</b>	<i>Condition</i>	<i>Comments</i>
<input type="checkbox"/> Roofs	_____	_____
<input type="checkbox"/> Gutters	_____	_____
<input type="checkbox"/> Windows	_____	_____
<input type="checkbox"/> Window screens	_____	_____
<input type="checkbox"/> Walls	_____	_____
<input type="checkbox"/> Stairs	_____	_____
<input type="checkbox"/> Hallways	_____	_____
<input type="checkbox"/> Balconies	_____	_____
<input type="checkbox"/> Mailboxes	_____	_____
<input type="checkbox"/> HVAC/Boiler	_____	_____
<input type="checkbox"/> Water Heaters	_____	_____
<input type="checkbox"/> Electrical system	_____	_____
<input type="checkbox"/> Basement	_____	_____

<b>Units—Overall</b>	<i>Condition</i>	<i>Comments</i>
<input type="checkbox"/> Doors	_____	_____
<input type="checkbox"/> Carpeting	_____	_____
<input type="checkbox"/> Walls	_____	_____
<input type="checkbox"/> Ceilings	_____	_____
<input type="checkbox"/> Paint	_____	_____



- Appliances \_\_\_\_\_
- Plumbing Fixtures \_\_\_\_\_
- Plumbing \_\_\_\_\_
- Intercom \_\_\_\_\_
- Smoke Detectors \_\_\_\_\_

**Bathrooms**

***Condition***

***Comments***

- Doors \_\_\_\_\_
- Flooring \_\_\_\_\_
- Walls \_\_\_\_\_
- Ceilings \_\_\_\_\_
- Fixtures \_\_\_\_\_
- Showers \_\_\_\_\_
- Plumbing \_\_\_\_\_
- Windows \_\_\_\_\_

**Kitchen**

***Condition***

***Comments***

- Doors \_\_\_\_\_
- Flooring \_\_\_\_\_
- Walls \_\_\_\_\_
- Ceiling \_\_\_\_\_
- Appliances \_\_\_\_\_
  - Range \_\_\_\_\_
  - Oven \_\_\_\_\_
  - Refrigerator \_\_\_\_\_
  - Freezer \_\_\_\_\_
  - Dishwasher \_\_\_\_\_
  - Disposal \_\_\_\_\_
  - Dispensers \_\_\_\_\_
  - Ice machine \_\_\_\_\_
- Fixtures \_\_\_\_\_
- Plumbing \_\_\_\_\_
- Fire system \_\_\_\_\_
- Fire extinguishers \_\_\_\_\_

<b>Common Areas</b>	<b><i>Condition</i></b>	<b><i>Comments</i></b>
<input type="checkbox"/> Doors	_____	_____
<input type="checkbox"/> Flooring	_____	_____
<input type="checkbox"/> Walls	_____	_____
<input type="checkbox"/> Ceilings	_____	_____
<input type="checkbox"/> Blinds/Drapes	_____	_____
<input type="checkbox"/> Furniture	_____	_____
<input type="checkbox"/> Fixtures	_____	_____

<b>Security/Safety</b>	<b><i>Condition</i></b>	<b><i>Comments</i></b>
<input type="checkbox"/> Intercom	_____	_____
<input type="checkbox"/> Burglar Alarm	_____	_____
<input type="checkbox"/> Locks	_____	_____
<input type="checkbox"/> Smoke Detectors	_____	_____
<input type="checkbox"/> Battery	_____	_____
<input type="checkbox"/> Hardwire	_____	_____
<input type="checkbox"/> Monitored	_____	_____
<input type="checkbox"/> Fire Extinguishers	_____	_____
<input type="checkbox"/> Sprinkler System	_____	_____
<input type="checkbox"/> Fire Suppression	_____	_____
<input type="checkbox"/> Fencing	_____	_____
<input type="checkbox"/> Fire Escapes/Doors	_____	_____

<b>Amenities</b>	<b><i>Condition</i></b>	<b><i>Comments</i></b>
<input type="checkbox"/> Laundry Rooms	_____	_____
<input type="checkbox"/> Washers	_____	_____
<input type="checkbox"/> Dryers	_____	_____
<input type="checkbox"/> Exercise Equipment	_____	_____
<input type="checkbox"/> Outdoor Pool	_____	_____
<input type="checkbox"/> Television/VCR	_____	_____
<input type="checkbox"/> Pool Table	_____	_____

**Sample Check-In/Check-Out Form**

This is similar to an overall inspection form. However, it will focus only on items in a brother's particular room. The brother and the Director of House Operations should use the same form, with signatures indicating the agreed-upon condition of the room. At the end of each term, or minimally year, the form will be updated and reviewed. This will ensure that it is easy to note any changes in the room accordingly and assess any fines or damage bills as may be required.

***Please Print***

Tenant \_\_\_\_\_

Parents' Names \_\_\_\_\_

Permanent Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

Home Phone \_\_\_\_\_ Work Phone \_\_\_\_\_

Email Address \_\_\_\_\_ Cell Phone \_\_\_\_\_

Room \_\_\_\_\_ Room Lease Signed?      Yes    No

Damage Deposit Amount for Current Lease    \$ \_\_\_\_\_

**Room Inspection**

Move-In Date: \_\_\_\_\_ Move-Out Date: \_\_\_\_\_

<b>Bedroom Item</b>	<b>Move-In Condition</b>	<b>Move-Out Condition</b>
Door(s) & Key(s)		
Door Stop		
Closet & Door		
Light Fixture & Bulb		
Switches & Plugs		
Carpet/Flooring		

Walls		
Ceiling		
Windows		
Screens		
Window Coverings		
Window Sills		
Phone/Internet Jacks		
Plumbing Fixtures		
Cleanliness		
Desk		
Other		

**Deposit Calculation**

Past Deposit Balance Carried Forward \$ \_\_\_\_\_

Remaining Due for Current Lease \$ \_\_\_\_\_

Additional Charges \$ \_\_\_\_\_

**Total Balance Due** \$ \_\_\_\_\_

Deposit Paid in Full? Yes No Date Paid \_\_\_\_\_

Total Charged for Damages and Cleaning \$ \_\_\_\_\_

Amount to Return to or Collect from Tenant \$ \_\_\_\_\_

Paid Amount in Full? Yes No

Amount has been Returned? Yes No

**Move-In**

\_\_\_\_\_  
Director of House Operations Date

\_\_\_\_\_  
Tenant Signature Date

**Move-Out**

\_\_\_\_\_  
Director of House Operations Date

\_\_\_\_\_  
Tenant Signature Date

### **Sample Foundation Council Resolution**

WHEREAS FarmHouse members, especially alumni, are concerned about providing quality education experiences to as many FarmHouse members as possible, and

WHEREAS Brotherhood and identification with FarmHouse extends beyond Chapter affiliation, but loyalty remains primarily with the Chapter of initiation, and

WHEREAS Contributions to the local FarmHouse Associations or Chapters are not legally tax deductible, and

WHEREAS Locally established FarmHouse foundations do provide tax-deductible status as well as the opportunity to support the Chapter of initiation, but because of

- 1) A foundation's on-going need for legal counsel, timely reporting to the International Revenue Service, financial management and investment experience, and
- 2) Competition with the international FarmHouse Foundation for donations from some alumni;

THEREFORE The Trustees of the FarmHouse Foundation propose:

To encourage each Chapter and Association to form a local FarmHouse Foundation Council as an arm of the international FarmHouse Foundation to conduct fund-raising activities locally with the assistance of the international Foundation; thus, local Chapters and Associations would not need to go to expense or have to spend the time necessary for establishing and maintaining a properly functioning foundation. Any already established foundations formed to support a local FarmHouse Chapter could:

- 1) Become the local Foundation Council
- 2) Continue to exist as a legal entity, but functions as the local FarmHouse Foundation Council.
- 3) Maintain their present status and activities without change.

## Sample Chapter Cook Employment Agreement

### Employment Agreement FarmHouse Cook

This agreement is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, by and between the (insert) Chapter of FarmHouse Fraternity and \_\_\_\_\_, who is for consideration set out to undertake and act as the cook for FarmHouse Fraternity at the University of (insert).

It is understood and agreed upon that the services of the cook under this agreement for employment shall begin the first day of classes held in the Fall Semester of the (insert years) school year at (University), and shall terminate no later than the last day of the (insert years) school year. It is also agreed upon that the Director of House Operations and/or Kitchen Manager shall notify the cook no later than two (2) weeks previous to the agreed upon starting date.

#### **I. Responsibilities and Duties**

- A. The cook shall be responsible for preparing the menu as well as ordering the food with the aid of the Kitchen Manager and/or Director of House Operations.
- B. The cook shall be responsible for and assist in the general upkeep and maintenance of the kitchen, these responsibilities include but are not limited to:
  - i. Coordinating with each crew chief in designating duties of each crew.
  - ii. Ensuring that the dishwasher has adequate amounts of detergent and rinse shine.
  - iii. Smoking in only designated areas.
  - iv. Washing utensils, pots and pans as needed for immediate use.
- C. Under agreement between the cook and the Kitchen Manager and/or Director of House Operations, FarmHouse shall be responsible for serving meals and doing an acceptable cleanup afterwards.
- D. In addition, the cook will perform other duties as designated by the Kitchen Manager and/or Director of House Operations.

#### **II. Hours of Work**

- A. It is understood and agreed upon that the cook's hours shall be 7:00 am to 1:00 pm from Monday through Thursday and on Friday the cook shall prepare either breakfast or lunch for the day informing the Director of House Operations/Kitchen Manager as to which she will do.
- B. In addition, the cook will be required to work 4:00 pm to 6:15 pm on Monday and when specified by the Director of House Operations, President, or Kitchen Manager Tuesday through Thursday evenings.

- i. It is also understood that the cook will receive three (3) evenings off a month at her own discretion, providing that meal plans are given in full to the Director of House Operations and/or Kitchen Manager.
- C. The cook is expected to work any additional hours as needed to prepare the required meals.
- D. The cook shall have Saturday and Sunday off, but must make arrangements for the discretionary days taken off, Friday meal, Saturday noon and evening meals, and Sunday evening meals as agreed upon by both parties.
- E. Arrangements for meals other than stated above will be decided upon by the respective committee chairman and the cook.

### **III. Absences and Attendance**

- A. It is further understood and agreed upon that the cook shall receive a maximum of five (5) personal/sick days per semester with full pay.
  - i. for personal leave days, the Director of House Operations and/or Kitchen Manager must be notified for two(2) days in advance of absence.
  - ii. One day shall consist of three meal shifts (for example, if Friday is taken off, 2/3 of a day of personal leave will have been taken).
  - iii. If the cook is sick, she may take days in addition to her five (5) paid leave days, but the cook will not be paid for these days.
  - iv. During the combination of dead and finals week, only one day (three meal shifts) of personal leave/sick days is allowed each semester.
  - v. It is up to the Director of House Operations' and Kitchen Managers' discretion whether to give the cook random days off from work. These days off are paid days and do not count toward the cook's personal leave days.
- B. If the cook meets the stated attendance requirements part (IIIa), the cook shall receive a bonus of \$250 per semester.
- C. In the case of absence, the cook should contact the Director of House Operations and/or the Kitchen Manager before 9:00 am the day of the absence.
  - i. If the Director of House Operations and/or Kitchen Manager are not contacted by the prescribed time, the cook will not receive pay for that day without permission of the above listed officers.
- D. In the event that FarmHouse would need to contact the cook, a means to reach the cook should be provided by the cook.



**IV. Salary**

- A. Wages will be decided between the parties involved.
- B. In consideration for services rendered, a salary of \_\_\_\_\_ outlined below per week shall be payable, less deductions for state and federal withholding taxes and social security.
- C. The first payment shall be due and payable at the end of the first week of the (insert years) academic year, and subsequent payments at one (1) week intervals until the end of the (insert years) academic year, for a total of 38 weeks.

**V. Health Insurance**

- A. Also, in consideration for services rendered, a health insurance plan shall be offered to the cook, the type of plan and the company will be decided on by the Director of House Operations and the cook.
- B. With this plan it is agreed to by both parties that FarmHouse will pay no more than \$105 per month, with the balance being paid by the cook (by personal check or taken out of salary).
- C. Also, it is agreed that FarmHouse will pay up to but no more the \$500 per year in deductible costs. (The “year” runs from August 15<sup>th</sup> till August 14<sup>th</sup>). The FarmHouse Vice President of Finance will either reimburse the cook for deductible payments or directly pay the deductible costs.
- D. It is also understood that the cook must comply with all of the insurance policy requirements.
  - i. If any requirements are not complied to, it will be at the discretion of the FarmHouse Executive Officers to offer a new cook agreement.

**VI. Termination and Renewal**

- A. It is understood and agreed upon that this agreement may be terminated by FarmHouse with thirty (30) days notice to the cook.
- B. It is also understood and agreed upon that this agreement may be terminated by the cook with thirty (30) days notice to the Director of House Operations and/or Kitchen Manager.
- C. This agreement can be renewed each year by the presentation of the newly written agreement by April 15.
- D. The cook may accept the new agreement by signing it and returning it to the Director of House Operations of FarmHouse Fraternity – (insert) Chapter within one (1) week of receipt.

E. If the renewed agreement is not signed and returned, the agreement is considered terminated as of the end of the agreed terms of the present agreement.

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FarmHouse Chapter President

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Date

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FarmHouse Vice President of Finance

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Date

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FarmHouse Cook

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Date

## Sample Chapter Housemother Employment Agreement

### Sample Housemother Contract FarmHouse Fraternity

This agreement made and entered into the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by and between the (insert) Chapter of FarmHouse Fraternity and \_\_\_\_\_ for and in consideration hereinafter set out, does hereby undertake and agree to act as Resident Housemother/Counselor (herein after referred to as Housemother) for the (insert) Chapter of FarmHouse Fraternity located at (insert).

1. It is understood that the services of the Housemother under this contract of employment shall begin the first day of \_\_\_\_\_, have a formal review by (insert Dec date), and terminate, unless otherwise extended, the following years first day of \_\_\_\_\_ pending the review.
2. It is understood and agreed that this contract is to be renegotiated by the first day of March each year. Written notice must be made if either party wishes to not renegotiate for the next year.
3. In consideration of the services rendered, a salary of \_\_\_\_\_ shall be payable in 8 monthly installments, less deductions required by law, with the first monthly payment due payable the first day of (insert). A health insurance allowance, not to exceed (insert) per month, is provided by the Chapter and shall be paid in 8 equal installments the first being on (insert date). Salary and health insurance benefits shall be paid in the form of direct deposit to the Housemother's checking account. Required amount is to be determined by costs submitted by the housemother to the Vice President of Finance of the Chapter.
4. It is hereby agreed by and between the parties herein that in addition to cash consideration for employment, the Chapter shall provide private living quarters, meals, one parking spot, cable and basic monthly telephone service with the exception of long distance calls and summer months' meals while the house is closed. FarmHouse will also provide a T-shirt, vest or any other article of clothing that the house orders during annual events of Homecoming, (insert event), (insert event), and (insert event).
5. It is further understood and agreed that vacations during the academic year shall be determined by conference between the parties hereto, and by the school calendar.
6. It is further understood and agreed that the Housemother will always conduct herself in a manner becoming to the position of FarmHouse Housemother and further that she will maintain full-time residency in the Fraternity House during her tenure of employment. She will be free to leave on weekends and during which there are no official FarmHouse activities requiring her attendance.

7. It is further understood that the Fraternity shall also do the following:

- Request Housemother's comments and suggestions during a designated time at Chapter meetings.
- Keep the Housemother informed of all Chapter activities and future plans.
- Introduce guests and perspective members to the Housemother
- Be respectful and truthful to the Housemother.
- Provide the option of living at the Chapter house year-round, provided that the contract is renewed or by mutual agreement.
- FarmHouse will provide an escort for the Housemother for all FarmHouse functions, awards banquets, and other activities she wishes to attend.
- FarmHouse will conduct an annual review of the Housemother's performance by the (insert) week of the Spring semester, after the first semester review before (insert December date).
- FarmHouse will provide the Housemother with a copy of the Housemother/RA Resource Book, current house rules and a blank housing contract. FarmHouse shall notify Housemother within three days of any changes to these rules, with an updated copy.
- Give the Housemother proper respect in accordance with tradition.
- The President will have access to a key to the Housemother's quarters that will be kept in a safe but not used for the invasion of privacy. FarmHouse Fraternity will not enter or use on any occasion or reason the Housemother's apartment in her absence, unless in case of fire or plumbing leak. It is the Housemother's private and personal quarters, and shall be respected as such.
- FarmHouse hereby indemnifies the Housemother against any out-of-pocket expense of loss the Housemother may suffer arising out of any claims made by a third party in connection with any duties as housemother. This indemnification shall not apply to any deliberate act of Housemother's outside the scope of her employment and not in compliance with the terms and conditions of this agreement.

8. It is further understood and agreed that the responsibilities of the Housemother shall include:

- Teaching, guiding the Chapter and the members in matters of social correctness, matters of etiquette and professional courtesies.
- Being a friend, good listener, confidant and "counselor" to members on a variety of personal topics, connecting men with professional help when necessary.
- Serving as a Hostess, planning and preparing for guests, greeting them, and socially entertaining.
- In some cases, chaperone social activities and programs.
- Serve as an ambassador to parents, the university, other Chapters, and the local community.
- Help hold the Chapter accountable to the Chapter house rules and bylaws and regulations/policies set forth by the University, local, state and federal laws,

Association and International Fraternity.

- Assist the Kitchen Manager with overseeing the food service operation: planning menus, ordering food, and ensuring that food is prepared, stored, and served properly.
- Help hold the Chapter accountable to ensuring that the house and grounds are kept clean, safe and habitable at all times and to advise the Chapter of any deficiencies in these areas.
- Responds to emergencies as needed.
- Serve as a living historian to provide continuity to the Chapter.

9. It is further understood and agreed that this contract of employment is to be in full force and effect for the following year that it is signed, provided the arrangements and agreements are carried out, or until either party, the (insert) Chapter of FarmHouse Fraternity or Housemother , feel it is necessary to terminate this contract with a 30 day written notice.

\_\_\_\_\_  
Fraternity Housemother

\_\_\_\_\_  
Date

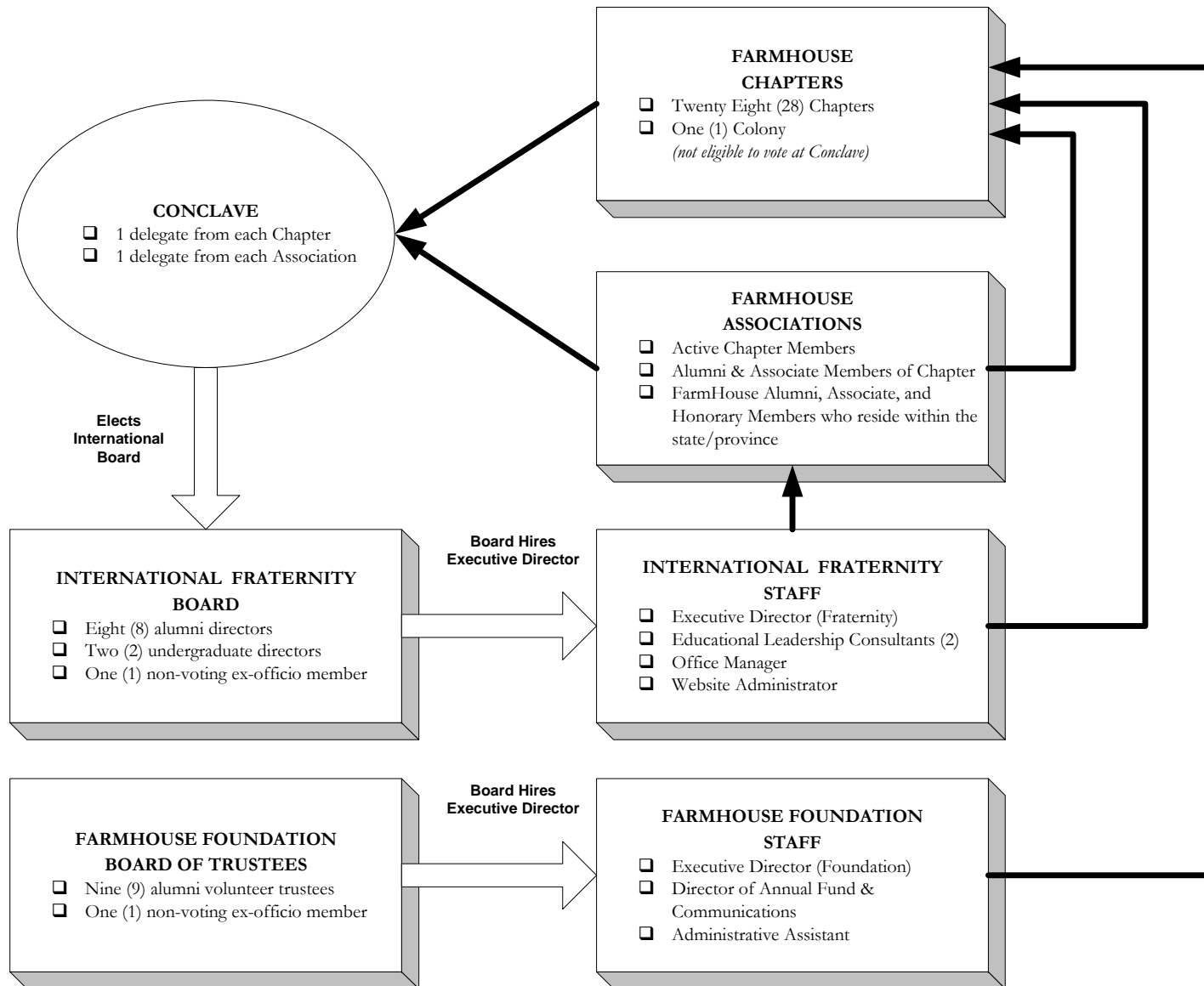
\_\_\_\_\_  
Chapter President

\_\_\_\_\_  
Date

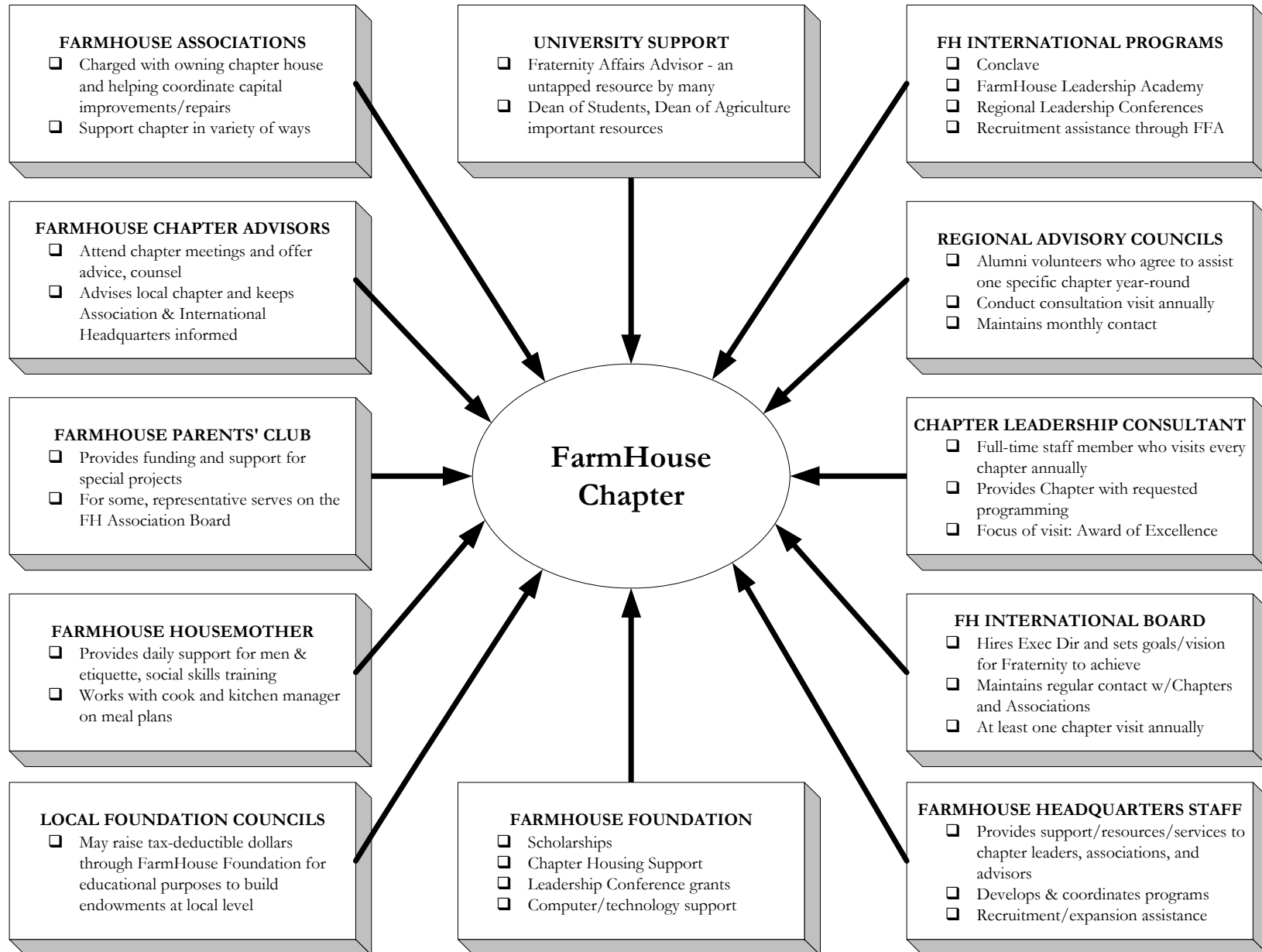
\_\_\_\_\_  
Association President

\_\_\_\_\_  
Date

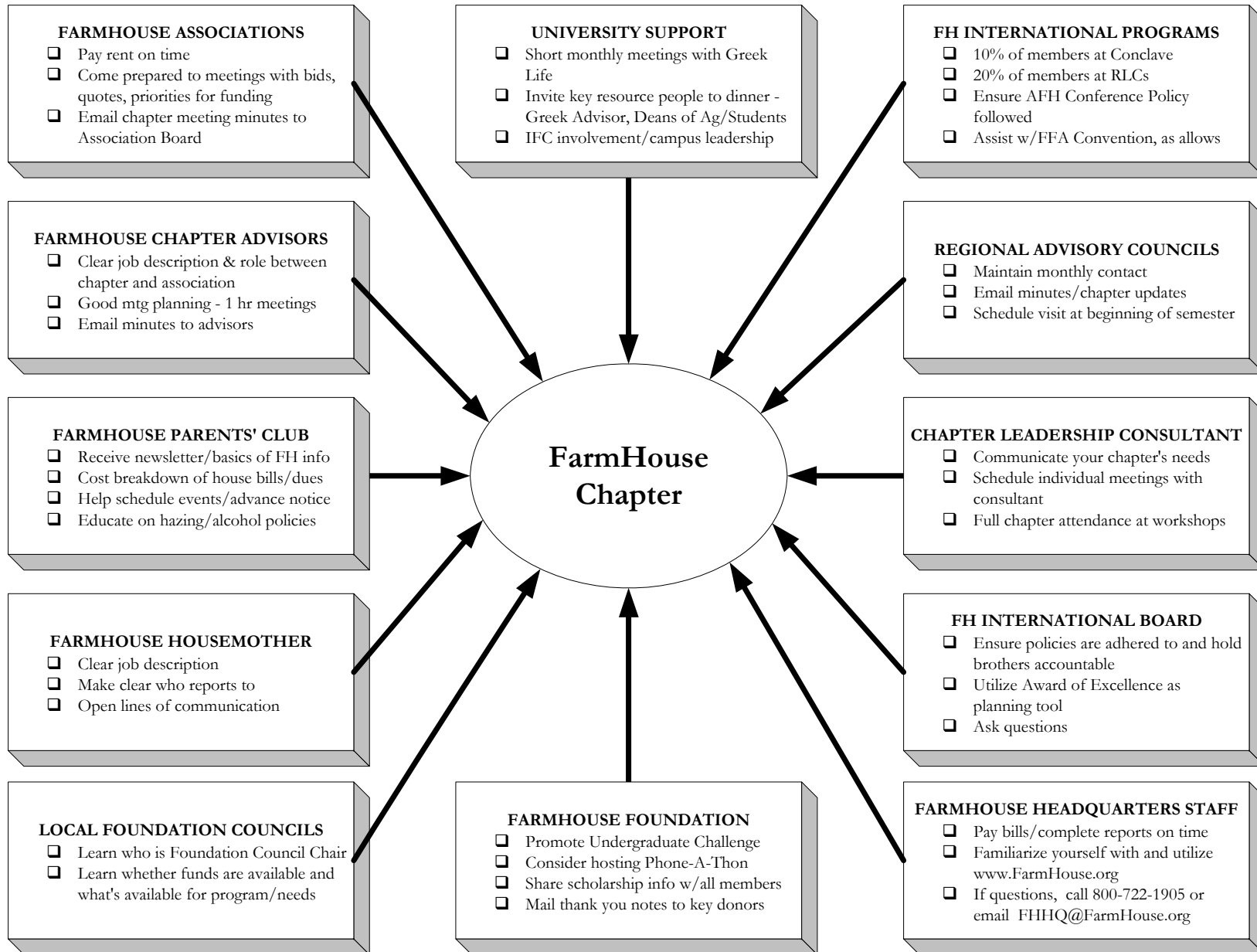
# FarmHouse International Fraternity Structure Diagram



# FarmHouse Support Structure



# FarmHouse Support Expectations





## Acknowledgements

Many groups and organizations have contributed to the development of these materials.  
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Kappa Sigma  
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