



Expanding the basement for academic space 2002

# PENN ETA FINANCIAL MANAGEMENT

## FUNDING

Operation of the chapter house and conduct of fraternity activities is a significant expense. While the fraternity does receive some income from the generosity of alumni donors, these funds are committed to capital improvements to the facility and support of our alumni communications program. The funds necessary for the day-to-day operation of the chapter house are derived from the fees paid by the undergraduate brothers.

## FEES

Fees are set by the Alumni Corporation, based on the estimated costs to operate and maintain the facility and to provide fraternal programming, as well as the expected occupancy level of the chapter house. Fees may also reflect the goals of the fraternity, which includes building brotherhood among the members by encouraging them to live together in the chapter house.

**Each brother will be in one of two fee categories:**

**Resident.** For each brother who is a resident of the chapter house, there will be a fee that covers their fall and spring residence at the chapter house, their meal/kitchen charges, all available utilities (including internet and cable television service) and their fraternal activities. Note that all residents are required to have the meal plan, which includes 10 prepared meals each week as well as after-hours access to food and kitchen facilities. Parking (with limited availability) is an additional charge (\$50/semester). Parking fees are kept separate from the operating budget and when sufficient funds have been accumulated, will be used to repave the parking lot.

**Non-Resident.** For each brother who not a resident of the chapter house, there will be a non-resident brother fee that covers expenses that apply to each member regardless of residence (such as national fraternity dues), a weekly “all-brotherhood” meal, and general use of the chapter house common areas and fraternal programming. The non-resident brother fee is significantly less than the resident brother fee, since no housing or meal/kitchen access will be provided (other than the “all-brotherhood” meal). For members living outside the chapter house in their first full year of membership, the fee is currently \$300/semester. This is just sufficient to cover the cost of their weekly meal in the chapter house and to cover their share of the capitated fees that the undergraduate chapter must pay each semester to the National Fraternity (which cover their undergraduate chapter liability insurance and obligatory contributions to the National Housing Corporation Chapter Investment Fund – these funds are held in reserve for the chapter in case of a serious facilities-driven emergency situation).

## OCCUPANCY

The Alumni Corporation defines a full chapter house as 36 leases/semester or 72 total semester leases per school year. The actual house occupancy is 46 men. In order to encourage occupancy of the chapter house over the defined number, we set the base fees on an assumption of 72 semester leases for the year. The current base fee is \$4550.00 per semester. For every pair of semester leases over the 72 minimum, the Alumni Corporation keeps half of the additional income, and reduces the house bill by the amount of the other half. This results in progressive decreases in the house bill per man as more undergraduates move into the chapter house, encouraging greater chapter house occupancy.

## BUDGET SURPLUSES

Any surplus in our Corporate Operating Budget is used to make capital improvements to the chapter house and to support additional undergraduate programming. An example of this occurred in 2012, when we had a significant surplus. The undergraduate executive board all wanted to attend a National Fraternity annual event, the Carlson Leadership Academy (CLA). Sig Ep Headquarters allows for 2 officers to attend. The event for our region was also scheduled the same weekend as PSU's Dance Marathon, which is a very important event for our PSU Greek System, and the undergraduate officers didn't want to miss Dance Marathon. We agreed to pay for the extra registrations and lodging and to fly them all to the CLA in Atlanta instead, which was on a different weekend than PSU's 'Thon.



Underpinning the living room foundation 2002

## MEAL PLAN

We offer the option of eating at the chapter house for out-of-house members at a rate of \$1500/semester. Individuals who opt into the meal plan have all the meal rights and privileges of in-house members.



New Undergraduate Kitchen 2011

## BILL REDUCTION PER OCCUPANCY

NUMBER OF SEMESTER LEASES	SEMESTER BILL	BILL REDUCTION Per man per Semester
72	\$ 4,500.00	
74	\$ 4,470.00	\$ 30.00
76	\$ 4,440.00	\$ 60.00
78	\$ 4,410.00	\$ 90.00
80	\$ 4,383.00	\$ 117.00
82	\$ 4,356.00	\$ 144.00
84	\$ 4,329.00	\$ 171.00
86	\$ 4,302.00	\$ 198.00
88	\$ 4,277.00	\$ 223.00
90	\$ 4,252.00	\$ 248.00
92	\$ 4,228.00	\$ 272.00





Constructing new Cook's Kitchen 2011

## FEES

### ALUMNI CORPORATION

The fees for an academic year will be determined during the summer prior to the academic year. Billing is done on a per-semester basis, with Fall semester bills due on August 1 and Spring semester bills due on December 1. Payment may be in lump sum or as part of an installment payment plan. The corporation uses an established financial service provider (Omega Financial) that specializes in fraternity billing and operates a website where account status can be viewed and payments made. Omega Financial accounts are in the name of the student, however parents can obtain access to student accounts.

### UNDERGRADUATE CHAPTER

The undergraduates may also levy fees to the brothers to cover the costs of additional fraternal activities. Those fees are separate from the fees charged by the Alumni Corporation and (if charged) are not billed through Omega Financial.



### SUMMER OCCUPANCY

Note that the chapter house is not open during the summer (i.e., the time between the end of the spring semester and the beginning of the fall semester). If students intend to attend class during a summer session, they will need to find alternative housing. Students that are returning to the chapter house in the following fall should remove their personal belongings at the end of the spring semester; we do allow large items such as furniture to remain, but strongly encourage any valuable personal items, including electronics, to be taken home over the summer. During the summer, the chapter house may be undergoing improvements (as it has almost every summer for the last decade), and the Alumni Corporation assumes no responsibility for items left behind. Individuals who are graduating or who are otherwise not returning to the chapter house the following semester are required to remove all personal belongings at the end of their last semester of chapter house occupancy.

## RESIDENT LEASING REQUIREMENTS

As with other residence arrangements for students in the State College area or on the Penn State campus, all residents of the chapter house are required to execute lease agreements prior to move in. These agreements will be provided in the fall semester of the academic year preceding occupancy. Leases are for **full academic year** residence of the chapter house and include meals by the house cook; leases are not per-semester (although billing may be done per semester), and are a commitment to live in the chapter house for both the Fall and Spring semesters. These requirements are necessary to ensure that the cost of operating the chapter house will be covered by the residents. There are certain academic situations where full year residency becomes an issue (such as study abroad or corporate internships), and the Alumni Corporation has worked to accommodate those situations, but those exceptions are uncommon.



New heating system with new electric room and basement social space renovation 2011

## INDIVIDUAL ROOMS.

The lease agreements give the student a shared room with bed. Specific rooms are not guaranteed – room assignments are apportioned according to the process established by the undergraduate chapter. Residents are permitted to paint and decorate their rooms as they wish, with prior approval of the Alumni Corporation Board of Directors.

## PARKING

Parking spots are available, but parking is not guaranteed – it is apportioned according to the process established by the undergraduate chapter, and not all residents may be able to obtain a parking spot at the chapter house. (There are long-term parking facilities in State College and on the Penn State campus that students may purchase if parking is not available.)

