



MAXIMIZING REVENUE

Financial Management Best Practices for Your House Corporation

Cornerstone Housing Summit 2015

176TH BETA THETA PI GENERAL CONVENTION | OTHERS BEFORE SELF



OBJECTIVE

Share ideas for maximizing revenue for your house corporation; share financial management best practices; focus on the “how.”

176TH BETA THETA PI GENERAL CONVENTION | OTHERS BEFORE SELF



OUTCOME

That every participant will find one way they can bring more revenue into their house corporation.

176TH BETA THETA PI GENERAL CONVENTION | OTHERS BEFORE SELF



YOUR BUDGET



176TH BETA THETA PI GENERAL CONVENTION | OTHERS BEFORE SELF



YOUR BUDGET

- Have one!
- Revenue should be itemized for tracking & evaluation
 - Include processing fees
- Line item for annual maintenance
- Line item for capital improvements (even if none are planned that year)
- Budget 10% reserve
 - Project budgeting: how much overage?
 - Capital improvements budgeting

176TH BETA THETA PI GENERAL CONVENTION | OTHERS BEFORE SELF



Capital Project	Replacement Cost	Estimated Life	Annual Savings Needed
Roof	\$150,000	30 years	\$5,000
Water Heater (2)	\$6,000 (\$3k each)	5 years	\$1,200
TOTAL			\$6,200
Amount from operating budget			\$5,000
Amount from fundraising			The balance = \$1,200

176TH BETA THETA PI GENERAL CONVENTION | OTHERS BEFORE SELF



CAPACITY & OCCUPANCY



176TH BETA THETA PI GENERAL CONVENTION | OTHERS BEFORE SELF



CAPACITY & OCCUPANCY

- Know what it takes to run the house every year
 - Fixed costs
 - Variable costs
- Fill to your real capacity
- Chapter needs to know the incremental value of every member and have a plan for closing the revenue gap

176TH BETA THETA PI GENERAL CONVENTION | OTHERS BEFORE SELF



EVALUATE YOUR PRICING



176TH BETA THETA PI GENERAL CONVENTION | OTHERS BEFORE SELF



COMPREHENSIVE ENVIRONMENTAL SCAN

- Every 3 – 5 years
 - More often as the community changes
- Fraternity / sorority pricing
 - Talk to the volunteers, ask for specifics
 - Tour their facilities
- On-campus pricing
 - Host campus web site
 - Take a tour, eat a meal
- Off-campus living
 - 2 – 4 locations

176TH BETA THETA PI GENERAL CONVENTION | OTHERS BEFORE SELF



PRICING



176TH BETA THETA PI GENERAL CONVENTION | OTHERS BEFORE SELF



PRICING & PREMIUM SERVICES

- Understand / quantify the services you offer & the context of your campus
- Use lump sum pricing
 - Do not itemize for cable, laundry, etc.
- Charge for premium services
 - Parking
 - Singles / doubles
 - Location to campus

176TH BETA THETA PI GENERAL CONVENTION | OTHERS BEFORE SELF



EVERY MEMBER CONTRIBUTES



176TH BETA THETA PI GENERAL CONVENTION | OTHERS BEFORE SELF



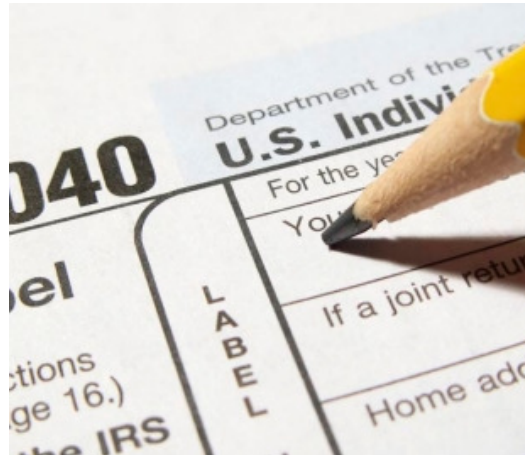
EVERY MEMBER CONTRIBUTES

- Damage deposit from every member
 - Different tiers for live-in vs. live-out
- Parlor fee from everyone
 - But especially live-out guys
- Meal plan for all members
 - Marked up 10% - 15%
- Build culture of giving to the house corporation as an undergraduate

176TH BETA THETA PI GENERAL CONVENTION | OTHERS BEFORE SELF



SMART STRATEGIES FOR TAX DEDUCTIBLE CONTRIBUTIONS



176TH BETA THETA PI GENERAL CONVENTION | OTHERS BEFORE SELF



USING TAX-DEDUCTIBLE CONTRIBUTIONS WISELY

- Designated Educational Area Housing Grant
 - Through Beta Foundation
 - Use donations for building, renovation & support of educational spaces
 - % of annual operating expenses
- Smart use of scholarships for live-in members
 - Through host institution
 - Through Beta Foundation
- Goal: Fund annual maintenance and capital improvement savings through alumni donations

176TH BETA THETA PI GENERAL CONVENTION | OTHERS BEFORE SELF



DISCUSSION & QUESTIONS

176TH BETA THETA PI GENERAL CONVENTION | OTHERS BEFORE SELF

