

DAMAGE DEPOSITS & ROOM INSPECTIONS

Before each tenant moves into his room, he and the alumni and volunteer corporation vice president of housing or inspection chairman should complete the Room Inspection & Damage Deposit Calculation Sheet.

ROOM DEPOSITS

Each tenant should pay a damage deposit at least equal to one month's rent. The alumni and volunteer corporation should determine the amount of the deposit. The damage deposits should be held by the alumni and volunteer corporation in a separate account and returned to the tenants over the summer upon final completion of repairs to the facility. Do not return damage deposits at any point during the academic year.

COMMON AREA DEPOSITS

Each undergraduate, whether he lives in the facility or not, should pay a damage deposit in addition to his parlor fee or rent. This damage deposit should be held by the alumni and volunteer corporation in the same account with the damage deposits from tenants and should be returned to the members in the summer upon final completion of repairs to the facility.

KEY DEPOSITS

Each tenant should pay a \$20 key deposit. The key to the room must be returned to the alumni and volunteer corporation in May for the tenant to receive his deposit back.

INSPECTIONS

The alumni and volunteer corporation vice president of housing or inspection chairman and the tenant should inspect the room the tenant will occupy. A report of the initial condition of the facility should be filed with the alumni and volunteer corporation and a copy given to the tenant. The room should be inspected again by the tenant and an alumni and volunteer corporation member in December before the tenant leaves for the winter and again in May when the tenant moves out of the facility. Any damage that has been done to an individual's room should be repaired by the alumni and volunteer corporation and deducted from the tenant's security deposit.

The vice president of housing or inspection chairman and the house manager for the chapter should inspect all common areas of the facility at the beginning of the academic year. A report should be filed with the alumni and volunteer corporation and a copy given to the house manager. The alumni and volunteer corporation should inspect the common areas of the facility. Any damage that has been done to the property will be repaired and deducted from the common area damage deposits.

Damage deposits are a critical element of the alumni and volunteer corporation's financial operations. Too often, alumni and volunteer corporation members have to spend some of their long-term maintenance budget on making cosmetic repairs to the facility at the end of the academic year. Proper management of damage deposits will help the alumni and volunteer corporation preserve the long-term maintenance budget for the facility.

DAMAGE & MAINTENANCE POLICIES

The following is a sample damage and maintenance policy to help reduce the amount of abuse that occurs to a facility during the academic year. Remember that the alumni and volunteer corporation is dealing with undergraduates mostly between the ages of 18 and 22. The key to a good damage and maintenance policy is that all costs associated with intentional damage are not taken from long-term reserves. They must either be taken from security deposits paid by the individual who did the damage, or taken from the chapter's events budget.

Intentional Damage

If intentional damage is done to a room or a common area, the first step is to determine who did the damage. If an individual is identified, the person should pay 150% of the cost to repair the damage. The additional 50% is deposited in a scholarship fund for the chapter. All repairs should be made by qualified repairmen, and individuals should not be given the opportunity to repair the damage themselves.

If nobody is able to determine who did the damage, then the cost is paid in one of three ways:

1. If the damage occurred in an individual's room, the individual's security deposit is charged.
2. If the damage occurred to the common area, then the general security deposit is charged.
3. If the chapter prefers, 150% of the cost of repair can be taken from the chapter's events budget; however, one of the above payments is preferred.

Long-term Maintenance

When the alumni and volunteer corporation makes a major repair to the facility, the alumni and volunteer corporation should start a reserve fund for the next time that repair must be made (e.g., if the roof is replaced, the alumni and volunteer corporation should start a roof reserve fund by dividing the estimated cost of the next new roof by the expected number of years the roof will last). Given this approach, the alumni volunteer corporation will have the money on hand the next time a project needs to be completed, and the alumni and volunteer corporation will not have to attempt to raise money or increase the debt on the property. As a guide, many state universities' building and grounds departments keep 10% of rental revenue as a budget for long-term maintenance.

Please contact Headquarters for sample alumni and volunteer corporation budgets that will help you budget correctly for needed long-term maintenance.

SAMPLE DAMAGE DEPOSIT — \$300 MONTHLY RENT

Tenant (Yearly Security Deposit)	Non-tenant (Yearly Security Deposit)
\$300 Room Deposit	— (Out of House Member)
\$20 Key Deposit	— (Out of House Member)
\$100 Common Area Deposit	\$100 Common Area Deposit
\$420 Total Yearly Security Deposit	\$100 Total Yearly Security Deposit

ASSESSING DAMAGES

Room inspections and damage deposits help prevent damage. These tools provide a method of determining the amount of reimbursement to collect from those who fail to care properly for alumni and volunteer corporation property.

If damage occurs during a school term, before a tenant is scheduled to move out, a follow-up inspection should be conducted. The damage should be repaired, and the appropriate amount should be taken from the tenant's deposit. The following are some items commonly charged against damage deposits:

- Damage to any part of the chapter house or property
- Replacement of furniture and/or fixtures because of loss or damage
- Paint necessary to return room to original color
- Cost of labor and materials to repair and/or replace anything applicable
- Collection of unpaid rent or dues may be taken from security deposits contained in the lease agreement.

Careful consideration must be given to the amount of time/labor that will be expended to repair or replace property. Labor cost should be based upon what it would cost to pay a professional to do the work. Be sure to include the time spent on going to the store, etc., to acquire the materials or replacement items. Remember: You get what you pay for, so always hire a professional or skilled person for the job. An aggressive rate charged for time spent will help deter people from doing damage in the first place.