



What is an LLC?

LLC stands for Limited Liability Company. It is a separate and distinct legal entity used in business operations. While it does have some similarities, an LLC is not the same as a house corporation. The FHC board of directors is the approving body for the LLC. They meet each month and make decisions like a house corporation board on major renovations and repairs and the annual budget. The LLC maintains the name of the chapter such as Alpha Alpha House Association of Delta Gamma, LLC.

Why is there a need for LLCs in Delta Gamma?

In 2015, as Delta Gamma expanded to new campuses that required housing for members, the Fraternity Housing Corporation (FHC) and the Fraternity decided to purchase property on behalf of these new chapters. An LLC for each group was formed for the property to be owned and operated by a parent organization such as FHC.

Later, Delta Gamma saw house corporations struggling to find volunteers. Some house corporations were down to one or even no officers. To continue to maintain the properties, the local house corporations are dissolved, and an LLC is formed. The LLC maintains the name of the chapter such as Alpha Alpha House Association of Delta Gamma, LLC.

How is an LLC different from a house corporation in terms of structure?

For Delta Gamma purposes, LLCs do not require the directors and officers that are outlined in the model house corporation bylaws. Rather, they are much more flexible and have dedicated FHC staff and a possible committee of local volunteers who handle the necessary day-to-day operations. Former housing volunteers can better assist the chapter with positions they need to operate, such as recruitment, honor board or finance.

What is the process to become an LLC?

The house corporation meets with their Regional Housing Specialist to discuss the potential change. Then the director of housing operations and director of managed properties at EO meet to discuss the timeline and process with the house corporation, including the collegiate officers. The vote to dissolve the corporation and move to the LLC model happens at the annual meeting.

A special meeting needs to be called if the annual meeting has already happened. FHC can assist with arranging a notification to all living members for that meeting and then assumes the title of the house to preserve the asset of the Fraternity.

Who should I contact if I have a question regarding a chapter that is owned and operated by an LLC?

The main contact for a chapter that is owned and operated by an LLC is the director for managed properties, Jessica Blevins Flannery, who can be reached at jessica.blevins@deltagamma.org.

As of July 1, 2023, which groups are owned and operated by LLC's?

Beta-Washington, Zeta-Albion, Xi-Michigan, Rho-Syracuse, Alpha Delta-Oregon, Alpha Xi-West Virginia, Alpha Omega-Arkansas, Beta Zeta-Denison, Beta Gamma-Utah, Beta Chi-Denver, Beta Omega-Washington State, Gamma Epsilon-Kent State, Gamma Rho-Wittenberg, Delta Nu-Northern Illinois, Epsilon Iota-UC, San Diego, Zeta Rho-Ohio, Eta Chi-Georgia College, Eta Psi-Iowa State.

FHC takes on new LLCs at the beginning of each fiscal year.

How do the LLCs operate from a chapter standpoint?

As far as the operations of the actual facility, the LLC operates the same as a traditional FHC house corporation. FHC pays the bills, collects from the chapter and handles the payroll and HR. The services and operations of the LLC are the same, and the annual budget looks the same. There is no additional charge to the members for being an LLC vs. house corporation.

What is the relationship between the chapter and the LLC?

The three ex-officio officers and the advisory team chair (ATC) who were voting members of house corporation meet each month with the director of managed properties to give feedback, talk about any chapter concerns, go over wish list items or any needed repairs and discuss future services or needs of the chapter including renovations or remodels over the summer. They can see the LLC annual budget and provide important information regarding the chapter to the LLC board.

What is the role of the house director and the LLC?

The house director works directly with the director of managed properties as well as a dedicated HR business partner. They meet twice monthly with both staff members and then on an as-needed basis. They work with the chapter in the same capacity and can report issues to the FHC staff and regional team volunteers as before. One change that is a benefit to being an LLC house director is they will become an employee of Delta Gamma, which means they have access to health insurance and other benefits provided to Executive Offices staff.