

**BETA THETA PI FOUNDATION
DESIGNATED EDUCATIONAL AREA (DEA)
GRANT INFORMATION**

The Beta Theta Pi Foundation provides financial assistance in the form of grants to legally constituted house corporations to assist in maintaining or improving the educational and study areas of chapter houses. The house corporation is eligible for a grant only if it complies with the grant application process and agrees to accept the proceeds of the grant subject to all the applicable terms and conditions.

Foundation grants will provide funding for the areas in the chapter house that are, or will be, used exclusively for educational purposes. The application materials refer to these areas as “designated education areas.”

The grants take two forms--construction grants and operating grants.

A construction grant is used to pay for constructing or renovating the designated education areas of a chapter house or for acquiring furniture or equipment for the area. For example, the proceeds of a construction grant could be used to renovate a room in a chapter house for use as a library or study room, or to purchase furnishings and necessary equipment for a library or study room.

An operating grant is used to pay the direct and indirect costs of maintaining a designated education area. Direct costs include the costs of maintaining the designated education area and maintaining the furniture and equipment in the area. Indirect costs are the proportion of general operation costs of the chapter house applicable to the designated education areas. For example, if the designated education areas comprise 10% of the total available floor space in the chapter house, the operation grant funds could be used to pay 10% of the real estate taxes, insurance, utilities, etc. attributable to the chapter house.

To qualify for a grant, the house corporation must first have an established chapter fund within the Beta Theta Pi Foundation. The house corporation and chapter must supply the following:

1. A Grant Application Form completed jointly by the house corporation and chapter. The house corporation and chapter must also provide supporting documentation which substantiates these grant requirements:
 - a) that a public benefit will result from the educational activities supported with the proceeds of the grant.
 - b) that the college campus will receive a benefit from the designated education areas. The college or university must provide a letter 1) identifying the type and extent of such benefits, and 2) stating that the facilities and equipment is similar to those provided by the institution to its own students.
 - c) that the chapter and the house corporation will comply with all requirements in the Standard Grant Agreement.

2. a formal resolution of the chapter house corporation authorizing the chapter house corporation to apply for the grant.
3. a certificate of Good Standing of the house corporation certified to date by the Secretary of State in the state or province in which it is chartered.
4. the Bylaws of the house corporation certified to date by the secretary thereof.
5. the Articles of Incorporation of the house corporation certified to date by the Secretary of State in the state or province in which it is chartered.
6. a copy of the agreement between the chapter and the chapter house corporation for rental of the chapter house.
7. a copy of the budget adopted by the chapter for the coming year, and a forecast of the second and third years.
8. a copy of the chapter house corporation budget for the coming year.
9. a copy of the most recent financial reports of both the chapter and the chapter house corporation. These reports are to include a balance sheet, and income and expense statements.
10. a description and location of the property and improvements (including photographs).
11. an appraisal of the property--MAI or approval preferred, or at least an establishment of value in writing.
12. details of any liens or mortgages on the property.
13. any other pertinent information.

Before funds are disbursed, the board of directors will also require:

1. a Title Report showing all existing liens on the property including easements and rights of way. A boundary survey is recommended.
2. evidence of adequate casualty and liability insurance.
3. evidence of adequate fire insurance.
4. termite inspection (highly recommended).

Upon receipt of a grant application, the Foundation Board of Directors will review the application and supporting documentation. The Board will recommend approval of a grant

application only if it determines that the proceeds of the grant will be used solely for educational purposes, and that the proceeds of the grant will be used to produce a broad public benefit to the college or university.

As part of its review, the Foundation Board of Directors will determine that the amount of any grant will not exceed the amount of the chapter fund balance held within the Beta Theta Pi Foundation. Besides ensuring that the requirements set forth above will be met, in determining the amount of the grant, the board of directors will consider the number and amount of grant applications, the relative need for education areas at the respective chapter houses and educational institutions, and the amount of funds available for grants.

The appropriate officer or director of the house corporation must execute a Standard Grant Agreement. This agreement imposes limitations on the use of the grant proceeds and requires the house corporation to report periodically on the use of the grant proceeds. The agreement also requires the house corporation to repay proceeds not used for purposes allowed by the grant.

More specifically, the house corporation must agree to use the grant proceeds only for educational purposes. Because of the conditions in the agreement specifies that the designated education areas of the chapter house must consist of facilities that are both separate from the social facilities and not used for any chapter social functions, the grant application and agreement must be executed jointly by the chapter house corporation and the chapter even though the grant is made directly to the house corporation.

The house corporation must properly account for all grant funds by maintaining them in a separate account and at all times segregating them from other funds. In addition, the house corporation must comply with all reporting requirements imposed by the Foundation. These include quarterly reports during construction phases, a final construction report within 90 days of completion of construction, and annual reports thereafter. Each such report must include documentation of all costs and expenses, and a certification that, to the best of the officer's knowledge, the areas funded by the grant have not been used for purposes other than educational purposes. Each grant applicant must consent to periodic inspections by the Foundation to verify compliance with the terms of any grant. The grant agreement expressly provides that any portion of grant proceeds not used for educational purposes must be repaid to the Foundation.

The grant chapter fund information sheet includes examples of educational purposes considered proper uses for the proceeds of a grant. These examples include the cost of constructing, renovating, furnishing, equipping, or operating any of the following:

1. areas of a chapter house that will be used exclusively for study and educational purposes.
2. a computer room
3. a library
4. an educational area used to store study aids, notes, old tests, and other similar educational materials.

Please review this material carefully. If you have any questions, please call the Beta Theta Pi Foundation at 800-800-2382.