

## 5 Q's of the Capital Campaign

### Who?

All the alumni and active members in good standing of the Nu Epsilon Chapter of Kappa Sigma and anyone else who cares enough about the future well-being of the chapter to donate money to the cause.

### What?

A drive to raise enough capital to put a down payment on a brand new Chapter House that will be the pride of every Kappa Sigma who steps foot inside and the envy of everyone else at New Mexico State. The final details and design of the house will be determined as we get closer to construction, but the working idea is to build a house that will sleep 8-10 members with common areas for chapter meetings and other events throughout the year. The house will be off campus to alleviate many of the restrictions placed on the current location by campus housing, but close enough that it will still feel like part of the University. A preliminary design will soon be available on the NEEF website.

### When?

Now. The goal is to have the house constructed before the 20<sup>th</sup> anniversary of Nu Epsilon in 2020, which means we have 4 years to raise enough capital for a down payment to enable the NEEF House Committee to acquire the land and construct a Chapter House we will all be proud to call ours.

### Why?

To have a Chapter House we will all be proud to call ours.

To have the Chapter House we all wished for as undergraduates.

To help re-engage alumni and re-dedicate undergrads to make Nu Epsilon the #1 chapter on campus and the #1 chapter in Kappa Sigma.

To have a Chapter House we will all be proud to take our wives, girlfriends, children and families to.

### How?

Go to the NEEF Website, click on "More Details" under the Chapter House Campaign and follow the links through PayPal to set up a monthly contribution to the cause. Between the first 15 donors we are already over \$110k on the way to our goal! Contribution levels are below and the nitty gritty details are on the next page. This is a large amount of capital to build up, but it is achievable if we all work together.

| Level    | Amount | Monthly  | Benefit                                     |
|----------|--------|----------|---|
| Diamond  | \$15k  | \$312.50 | Name a Room + Plaque                        |
| Platinum | \$10k  | \$208.33 | Individual Plaque                           |
| Gold     | \$5k   | \$104.17 | Inclusion on Gold Donations Plaque          |
| Silver   | \$2.5k | \$52.08  | Inclusion on Silver/Bronze Donations Plaque |
| Bronze   | \$1k   | \$27.78  | Inclusion on Silver/Bronze Donations Plaque |

## The Nitty Gritty Details

### How does non-profit property ownership work?

Simply, the non-profit organization owns and is liable for the property. To get a loan, the non-profit will have to demonstrate a means to pay it off, which in our case is simply rental income. This single source of income makes lenders wary and drives the need for a high down payment, typically in the 35%-50% range based on the economic climate. Someone(s) will have to sign on behalf of the non-profit, but no individual will gain benefit or have liability for ownership of the property. We'd have to put on a fake real estate law hat for any more detail, but luckily someone smarter than us already has.

<http://www.orgspaces.org/wp-content/uploads/2011/03/First-Time-Buyers-Guide.pdf>

### You make a good point, how will we pay off the loan once we have it and avoid foreclosure?

Examples are better than words, so hypothetically, let's assume our all in cost is \$700k, we've raised \$300k to build a house that sleeps 10 and we charge the going rate for on campus housing. The bank decides we have a good plan and gives us a 15 year fixed rate mortgage (we'll assume current interest rates).

| Monthly Debits               |         | Monthly Credits    |                |
|------------------------------|---------|--------------------|----------------|
| Mortgage                     | \$2,000 | Rent/person        | \$415          |
| Escrow<br>(insurance, taxes) | \$750   | Total Credits      | \$4,150        |
| Total Debits                 | \$2,750 | <b>Net Credits</b> | <b>\$1,400</b> |

Obviously, a lot can change on this over the next 4 years and we'll have to figure out what else is included with monthly rent (utilities, internet, tv, etc.) and we will have to come up with defined plan if the house isn't full and summer rent. But the point is that even with conservative assumptions on the mortgage and escrow; we have a ton of wiggle room to make those plans when we have the defined figures 4 years from now.

### Ok, you win, this makes sense. Now how are we going to get there?

We are looking for contributions from all alumni, undergraduates and the chapter. Using the \$700k estimation above, our goal is \$350k. We are well on our way! The next step is to add your donation to the table below!

| Group          | Goal   | Pledged  |
|----------------|--------|----------|
| Alumni         | \$275k | \$112.5k |
| Undergraduates | \$25k  | -        |
| Chapter        | \$50k  | -        |
| Total          | \$350k | \$112.5k |