

# Pen-Mar REALTORS®

## POLICY & PROCEDURES MANUAL

*(A copy of this manual and any other Association governance manuals shall be made available to any member of Pen-Mar REALTORS® upon their request.)*

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## **GENERAL OPERATING POLICIES**

It is the policy of Pen-Mar REALTORS® to operate its business in compliance with federal, state, and local laws and regulations, including fair housing and equal opportunity laws. These policies and procedures are an addition to current bylaws of Pen-Mar REALTORS® and act as an additional governance document to the Association. The bylaws supersede all other governance documents, including these policies and procedures. The following policy decisions are the responsibility of the Board of Directors (BOD). As new policies are created or existing policies are amended, revised, or eliminated, they will be presented to the Board of Directors for review and approval.

## **OFFICE HOURS AND HOLIDAYS**

The Association office hours are Monday through Friday 8:00am-4:00pm. The Association office is closed on the following holidays, or the date of their observance if they fall on a weekend:

- New Year's Day
- Martin Luther King Jr. Day
- Presidents' Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Day after Thanksgiving
- Christmas Eve
- Christmas Day

## **OFFICE CLOSURE POLICY**

The Association Executive shall have discretion and authority to temporarily close or delay opening the association office for reasons which include, but are not limited to, inclement weather, public safety, and building maintenance. Whenever the Washington County Public School District closes or delays school opening for inclement weather, Pen-Mar shall also close or delay opening its office. The Association Executive or assigned staff shall notify the Board and members of all closures as soon as reasonably possible once a closure or delay has been determined necessary.

## **FISCAL YEAR**

The fiscal, elective and dues year of the Association shall be from January 1 through December 31. (Article XIV, Section 1 and Article X, Section 3 of the Association Bylaws.)

## **SALES/RESERVATIONS POLICIES**

All purchases or payments of dues, fees, fines, materials, supplies, or tickets for events or other activities shall be made in credit card, check, or cashier's check. Cash shall not be accepted by the association.

All transactions shall be paid in advance of events, activities, classes, or any other occasion where money is to be collected for admittance. Collecting money at the door should be avoided where possible. All decisions regarding prices, fees, refunds, and reservations shall be determined in advance on a case-by-case basis. Depending on the specific events, activity, class, merchandise, or any other action that would require payment to the association, the staff and any appropriate assigned Board or Committee shall determine an appropriate amount of cost or fees and any other related policies for members and non-members.

## **MEMBERSHIP QUALIFICATIONS**

Qualifications for membership are set forth in Article V, Section 2 of the Association Bylaws.

### **PORTABILITY OF MEMBERSHIP RECORDS (FILES)**

To facilitate timely processing of applications for membership and to assist associations in determining an applicant's qualification for REALTOR® membership, associations shall, based on a request from another association, share information about current or former members. Minimum "core" member information shall include:

1. Previous applications for membership
2. All final findings of Code of Ethics violations and violations of other membership duties within the past three (3) years (when available)
3. Pending complaints alleging violations of the Code of Ethics or alleging violations of other membership duties
4. Incomplete or (pending) disciplinary measures
5. Pending arbitration requests (or hearings)
6. Unpaid arbitration awards or unpaid financial obligations to the association or its MLS

An association may, at its discretion, consider information received from other associations when determining whether an applicant satisfies the association's membership requirements as established in the association's bylaws (not to exceed NAR's Membership Qualification Criteria).

### **APPLICATION FOR MEMBERSHIP**

Individuals who wish to join the Association will be provided with a membership application and the method for application (See Article V, Section 1.) Completed applications will include payment covering Application fee as set forth in Article X, Section 1, of the Pen-Mar Bylaws.

### **NOTICE OF ADDITION OF LICENSEES**

Within fifteen (15) calendar days from the date on which a Designated REALTOR® receives from the State Real Estate Commission(s) the license of a licensee affiliating with the Designated REALTOR®'s firm, the Designated REALTOR® shall complete, sign, and deliver to the Association office a "Notification of Change" form with respect to said licensee. Notification of Change Forms shall be made available in the office of the Association and/or online. Failure to comply with the requirements shall result in an additional dues assessment against the Designated REALTOR® and the following charges: (1) a fine of Fifty Dollars (\$50.00) per month; (2) assessment fees for salespersons in an amount equal to that which would have been paid had notice of the new licensee's affiliation been timely provided to the Association office and the new licensee joined the Association; and (3) other applicable fees as established by the Association from time to time. For each newly affiliated licensee who does not voluntarily elect Association membership, the Association shall be entitled pursuant to Article X, Section 2 of the Bylaws to collect from the Designated REALTOR® of the firm, of which that licensee is affiliated, an assessment fee equal to the dues that licensee would have paid had the requirements for membership been completed and that licensee duly elected to membership by the Board of Directors.

### **OBLIGATIONS OF NEW AND NON-MEMBER TRANSFERRING LICENSEE**

With the notice of "Add to Roster", each new licensee or non-member transferring licensee shall complete a Membership Application and submit that Membership Application to the Association office along with an application fee (see Fee Schedule), and attend an Association Orientation Session. The failure of a new or non-member transferring licensee to comply with these requirements shall entitle the Association to collect from

the Designated REALTOR® of the firm with which that licensee is affiliated a dues assessment fee equal to the dues that licensee would have paid had the licensee completed the requirements for membership and been duly elected to membership by the Board of Directors.

During the fiscal/elective year, any applicant who transfers from another REALTOR® Board/Association, thereby making PEN-MAR their primary Association, will provide a letter of verification from the other primary Board/Association indicating they were a member in good standing at the time of application.

An applicant seeking Secondary membership in this association will provide a letter of verification from their primary Board/Association indicating they are a member in good standing at the time of application.

### **MEMBER/OFFICE LICENSE CHANGE FEE**

A \$20.00 Assessment Fee will be charged to each member and/or member office for any change to a real estate license for any reason other than renewal or change of marital status. This Fee will be assessed when completed paperwork is received in writing by the association.

### **ORIENTATION AND MANDATORY INSTALLATION**

New members will hold provisional membership until the following requirements are completed:

1. Complete NAR's New Member Code of Ethics training either online or at one provided by Pen-Mar, if available, within 60 Days of Application (per Article V, Section 4, of the PEN-MAR Bylaws.)
2. Attend Orientation through Pen-Mar's Member Service Center within 60 days from application.
3. Recite the REALTOR® oath at Orientation to complete the installation process.  
(A separate recognition ceremony will be held annually at the first Membership Meeting of each Year.)

If the Ethics training and Orientation are not completed by the specified time frames, a \$125 reinstatement fee will be assessed, and provisional membership shall be terminated.

### **NOTICE OF SEVERANCE OR TRANSFER OF AFFILIATION**

In all cases where a licensee affiliated with the Designated REALTOR®'s firm transfers from that firm to another, terminates, or has their license placed on inactive status with the State Real Estate Commission, the Designated REALTOR® shall, within fifteen (15) calendar days from the date of each such transfer, severance, or placement on inactive status, complete and sign a Notification of Change form with respect to that licensee and cause said form to be delivered to the Association office. In cases where a licensee's license is terminated or placed on inactive status with the State Real Estate Commission, the Designated REALTOR® shall complete the Notification of Change Form. Both the Designated REALTOR® and the agent must sign this form. Failure to comply with the requirements shall result in an additional dues assessment against the Designated REALTOR® and the following charges: (1) a fine of Fifty Dollars (\$50.00); (2) assessment fees for licensees, as provided for in Article X, Section 2, accruing from the date of severance of affiliation until such date as notice that complies in all respects with the requirements is received in the Association office; and (3) any other applicable fees. Any misrepresentation of status may result in a Code of Ethics violation and/or incur a fine of up to \$1,000 to the Designated REALTOR®. Such fines shall be determined at the discretion of the Board of Directors.

### **NONPAYMENT OF ANNUAL DUES RENEWAL**

All Membership dues renewals are to be received by the Association no later than the close of business on December 31<sup>st</sup>. Immediately after, any members who are late in paying their dues shall have their membership automatically suspended along with all privileges and services until payment is made in full, along with any additional fines, fees, or outstanding invoices. For fees related to late dues payments, see the Association's Fee

Schedule. On February 1<sup>st</sup> any remaining nonpaying Members shall have their membership automatically terminated. All suspensions and terminations shall be reported to the Board of Directors at their monthly Board Meetings, for review.

Any Member, who has had their membership terminated for any reason may be reinstated within twelve (12) months provided all accounts due at time of termination are paid in full and any other requirements are fulfilled.

Commencing one (1) month after termination, a reinstatement fee of \$125 shall be paid in full at time of reinstatement. Dues shall be prorated according to the calendar month for any member being reinstated. After twelve (12) months, a terminated member may still be reinstated by paying all accounts due at time of termination by reapplying for membership in manner prescribed for a new membership. This includes paying a new member application fees rather than the reinstatement fee. If dues are not paid by the due date, the member will be penalized a late fee and their Designated REALTOR® may be required to pay an Assessment fee.

## **DUES AND FEES**

### Association Dues:

1. Dues are prorated on a monthly basis.
2. Affiliate membership is established when membership is paid by the individual holding that membership status. In the event the member transfers from the firm during the fiscal/elective year, the membership is transferable to their new firm by means of a change of address. Additional members from the same company, business, or firm may be added for a per person additional fee.
3. There is an application fee as established by the Board of Directors for all memberships.
4. The prorated Association Dues Schedule is published each year and is attached as Appendix 1 of this manual. Other fees and fines are also listed on this Schedule.
5. A member who has met the necessary criteria and attained REALTOR® Emeritus status from the National Association of REALTORS® shall have dues waived at all association levels, including State(s) and local, each responsible for their own respective jurisdiction. Any member who attains Emeritus status at Pen-Mar REALTORS® shall have all local dues and fees waived for attendance at any local Association function. A member of Pen-Mar REALTORS® who has been a member and paid dues for a cumulative forty (40) years shall obtain local Emeritus status, regardless of qualifications for State or National Emeritus status, and will do so without any need to serve on any committee or leadership role. Simply being a dues paying member of the association for forty (40) years shall be sufficient. Furthermore, any member who attains Emeritus status at the local level shall receive a plaque in recognition of this achievement.

## **DUES REFUNDS**

No refund of Association dues shall be made except under the following conditions:

If the request is made in writing within thirty (30) days after due date (December 31) on renewal dues or thirty (30) days after BOD membership approval, whichever applies, on a prorated basis. Only cases demonstrating hardship will be considered. Hardship cases must be submitted in writing for consideration by the Board of Directors.

If state and national dues have been transmitted, only local dues are eligible to be refunded. In cases of hardship, the State Association(s) will consider refunding state and national dues received, if the request is made in writing.

## **DUES LATE FEES**

Annual renewal dues are due and payable on December 31. The due date as shown on the statement for an outstanding invoice for dues and fees will govern a late fee as established by the Board of Directors. Late fees

are in effect one day after due date for annual dues (January 1 for renewal dues, 30 days from invoice date for other than renewal invoices). Dues must be received no later than December 31<sup>st</sup>, and members are responsible for ensuring the timely arrival of their payment before this deadline. Checks dated prior to the deadline that arrive afterward shall be treated as late. Payments that arrive on-time but bounce or otherwise are not able to be processed shall be deemed as an unreceived payment and shall incur a late fee. Under no circumstances shall a late fee be waived without Board approval and the individual must prove extenuating circumstances. See Fee Schedule for fee amounts.

### **NON-DUES LATE FEES**

For non-dues late fees see the attached Fee Schedule. SentiLock leases that are not renewed or paid by their due date shall result in automatic termination of access to the lockboxes assigned to that individual. No late fee shall be imposed for SentiLock leases that aren't paid, but rather the individual shall immediately lose access to their boxes. The Board of Directors may impose fees and fines for lockboxes that are not returned to the Association in a timely manner, including the cost for lockbox replacements.

### **STATE DIRECTORS**

The PEN-MAR Board of Directors will appoint, each year, representatives to serve on the State Association's Board of Directors.

It is the policy of the Association NOT to send the State Director to State meetings committed to a particular candidacy. Directors will make an individual decision based on candidate qualifications. However, if a member of the Association expresses interest in being considered as a candidate and the Board of Directors has endorsed their candidacy, the State Director would consider the endorsement in making his/her decision. If the Board of Directors endorses a candidate from Pen-Mar's association territory, a letter will be forwarded to the District Vice President and all state and national directors soliciting their support for the candidate endorsed.

### **STANDARD TIME & DAY SCHEDULED FOR BOARD OF DIRECTORS**

Per the Bylaws, Article XII, Section 2, The Board of Directors, at its first meeting, shall designate a regular day, time and place of meeting. Under special or exigent circumstances and subject to the Notice requirement of Section 4, of this Article XII, special meetings of the Board of Directors shall be held on such date, time and place as shall be designated by the President, or in the absence or disability of the President, by the President-Elect. Absence of a Director from three (3) regular, but not special, meetings within one year, without an excuse deemed valid by the Board of Directors, shall be construed as the resignation of the Director.

For annual scheduling purposes, the Board of Directors meetings will be held each month and will be scheduled on the second Wednesday of the month, unless this date conflicts of State and National Association Meetings.

### **BUSINESS BEFORE THE BOARD OF DIRECTORS**

Business to be brought before the Board of Directors shall be done only through a member of the Board of Directors. Any member who wishes to have business brought before the Board of Directors must first discuss the matter with the Committee Chairperson responsible for that area of responsibility, if applicable. The Committee Chairperson will then discuss the matter with the President or Association Executive. Failure to abide by the above procedure, by a member or a director, may result in calling such a person or business out of order.



## **PORTRAITS OF PRESIDENTS**

Each year, the President will provide to the Association a digital photograph of himself/herself to be used for promotional purposes by the Association and/or for historical value. If need be, portraits of Presidents by a specific photographer will be paid for and arranged by the Association.

## **DISTRIBUTION OF BOARD OF DIRECTORS MINUTES**

Minutes of all Board of Director meetings will be distributed to members of the Board of Directors prior to the next scheduled meeting of the Board of Directors. Any individual who has business before the Board of Directors will receive a letter indicating the action taken by the Board of Directors at the meeting. A brief summary of the Board of Director minutes may be published in a PEN-MAR Newsletter, Fax, Website, e-mail, etc., for dissemination to all members.

## **QUORUM**

A quorum for the transaction of business shall consist of seven percent (7%) of the REALTOR® Members in good standing present at the membership meeting (no proxy voting) or by electronic ballot of same said members. A majority must be present for the Board of Directors meeting (no proxy voting). In matters needing immediate attention by the Board of Directors, an electronic vote can be called by the President of the Board of Directors for a majority vote. (Article XII, Section 5. of the Association Bylaws).

## **CLOSED/OPEN MEETINGS**

Closed meetings are in effect on the following basis and visitors will not be permitted to attend:

1. Meetings of the Board of Directors or committees responsible for professional standards enforcement when the purpose of such meetings is to sit as a hearing panel or enforcement body related to charges against a specific member or members.
2. Meetings of the Board of Directors or committees when those bodies are sitting as a review body dealing with employee matters (including wages, disciplinary action, and sanctions) or the privacy or reputation of an individual is under discussion.
3. Meetings of the Board of Directors or committees when it is determined by legal counsel that outsiders should be precluded based on the nature of the topic under discussion.
4. Meetings where any matter under discussion requires consultation with staff, consultants, accountants, Association legal counsel or any person with regard to pending potential or actual civil or criminal litigation.
5. Meetings where any matter investigating possible or actual civil or criminal misconduct.
6. Any meeting where the matter under discussion is in the negotiation stage, the terms and conditions of which, if disclosed, could adversely affect the economic interests of the Association.
7. Any matter brought to the Board of Directors pertaining to membership of a member.
8. Matters deemed highly sensitive in topic or otherwise necessary to protect the integrity of the Association or an individual with a relationship to the Association.
9. Secret and casual meetings are prohibited. The Board shall strive to only hold closed meetings when absolutely necessary and where reasonably possible shall limit closure to just the portions of the meeting where discretion, privacy, or unusually high sensitivity is concerned.

An open meeting policy is in effect in all other instances. Any member or nonmember may submit a request

in writing or by phone for consideration by the President or Association Executive. It is the responsibility of the President or Association Executive to notify the person of their right to attend a specific meeting and the obligations of the attendee. Outsiders may be requested to leave a meeting after having presented the specific issue for consideration. When possible, a written response, within ten (10) days, should be forwarded to the requestor following a decision by the committee or the Board of Directors.

### **MEMBER REPRESENTATION OF THE ASSOCIATION**

No officer, director, committee chairperson, committee vice chairperson, committee member, member of the Association or employee shall state, declare or represent to any third party that he or she is speaking for or on behalf of the Association or is representing the Association at any public or private meeting or through any public announcement unless specifically authorized to do so by the Board of Directors or the President in accordance with the governing documents, rules and procedures of the Association.

Any member duly authorized to represent the Association at any public or private meeting or through any public announcement shall do so solely and exclusively on behalf of the Association. During any such authorized representation, the member shall state that the member is speaking at such meeting or through such public announcement for and on behalf of the Association and with the Association's full authority to do so.

During such authorized representation, the member shall not wear or display any symbol, badge, pin, nameplate, sign, distinctive clothing or any other item which contains the name of the real estate company, office or franchise with which such member is affiliated. All written communications will be prepared and disseminated through the Association office after approval by the President or Association Executive.

Nothing herein, however, shall preclude or prohibit such authorized member from disclosing the name of the Real Estate Company, office or franchise with which the member is affiliated if requested to do so during the course of representing the Association at such public or private meeting or through such public announcement.

### **COMMUNICATIONS POLICY**

1. Copies of all correspondence between the local Association, state and national Associations, and any other entities/persons will be filed at the PEN-MAR offices.
2. The Association office will receive and keep on file copies of all current governing documents for the local Association, any State Association and the National Association, including bylaws of the Pen-Mar REALTORS®. The Association will maintain on file a list of all current fees related to Association programs, products and services.
3. All correspondence regarding policy and/or requests by the local Association submitted to the National Association will be copied and sent to either State Association.
4. Copies of all significant incoming/outgoing Association correspondence should be forwarded to the President and Board of Directors as necessary.
5. All Association written/published materials will emanate only through the Association office.
6. No member is authorized to generate written material of any type (including correspondence) on behalf of the Association without approval of C.E.O. and/or the Board of Directors
7. Association stationery use is limited to staff at the Association office. Stationery will be made available for use by Committee Chairs only for a specific project, with prior approval by the Association Executive.

### **PUBLISHING/EDITING POLICY**

The Association Executive must review and edit any and all articles, fliers, correspondence, or written

material prior to dissemination or publication on behalf of the Association.

### **HARASSMENT POLICY**

It is the policy of the Association that any type of harassment of an employee of the Association, whether sexual or otherwise, by another employee, officer, director or member of the Association will not be tolerated in any form. Harassment on the basis of sex is a violation of federal law. Unwelcome sexual advances, requests for sexual favor and other verbal or physical conduct of a sexual nature constitute sexual harassment when (1) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment (2) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual, or (3) such conduct has the purpose or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

Any employee who feels that he or she has been the victim of any type of harassment must immediately notify the Association Executive and/or the Association President. In the event the alleged harassment is based, in whole or in part, upon the actions of the Association Executive, the employee shall notify the President of the Association. Upon receipt of such a complaint by the Association Executive or the President, the Board of Directors shall appoint one of its members to investigate the complaint and shall report his or her findings to the Board of Directors as promptly as possible. The Board of Directors shall meet to review the complaint and the results of the investigation and, in the case such harassment appears to be present, shall take prompt remedial action to prevent its recurrence and may impose disciplinary action, where appropriate.

Any employee who is found to have violated this policy will be subject to discipline at the discretion of the Board of Directors, which discipline may include immediate termination of employment. Any officer, director or member of the Association who is found to have violated this policy will be subject to such remedial actions, at the discretion of the Board of Directors, in such form and under such conditions as are within the authority, scope and control of the Association.

### **ERRORS AND OMISSION/INSURANCE COVERAGE**

Insurance coverage for Errors and Omission is provided under the blanket coverage of the National Association. Coverage is provided for Directors and Officers, volunteers and staff of PEN-MAR, if acting within their scope of authority on behalf of the Association. As prescribed by the National Association, this coverage is based on the Association's compliance with policies and recommendations of the National Association. Failure to comply with any one provision of NAR will result in loss of coverage. It is the policy to take required action to remain in compliance with NAR policies and recommendations when necessary.

A Commercial Package, which includes coverage for General Liability, Computer, and Dishonesty Protection by employees, officers and directors; and Workmen's Compensation, will be maintained.

### **RESIDENT AGENT**

Under the Articles of Incorporation, the Association Executive or, in the case where the Association Executive is a non-resident of the State of Maryland, the legal counsel for the Association will serve as the "Resident Agent" on behalf of the Association. Upon any change in the Association Executive, legal counsel (when acting as Resident Agent) or company address, the State Department of Assessments and Taxation shall be duly notified in writing. *Note: Soren Dorius is currently Resident Agent.*

### **BUDGET RELATED POLICIES**

#### a) Budget Considerations and Preparation

The annual operating budget of the Association shall be prepared by the Budget and Finance Committee with the assistance of the Association Executive. The proposed annual budget shall be presented to the Board of

Directors for approval no later than the regular Board Meeting in September of each year.

The Board of Directors must approve the proposed annual budget before it can become effective. Once a final budget is approved, dues billing shall commence as soon as reasonably possible. During any calendar year, all proposed budget revisions must be approved by the Board of Directors before they can become effective. When planning the annual budget, the Budget and Finance Committee will evaluate and take into consideration economic factors which may affect dues income, specific goals or programs projected for implementation during the coming year, and the existing programs, services, and anticipated expenditures.

Unless the Board decides otherwise, the Budget and Finance Committee shall budget the following amounts for travel of Officers and Directors each year:

- \$5,000 President
- \$5,000 President-Elect
- \$5,000 Second Vice President
- \$1,200 Maryland Director (\$1,200 per MD Director)
- \$1,200 Pennsylvania Director (\$1,200 per PA Director)
- \$1,200 Secretary
- \$1,200 Treasurer

Capital expenditures in excess of \$100,000 in one calendar year must be authorized by vote of a majority of all REALTOR® Members (see Bylaws, Article XII, Section 5. Quorum).

b) Access to Financial Reports

Year-to-date statements will be made available at membership meetings. In addition, any member may submit a written request to the Treasurer for a copy of the Association financial report or may request to review a copy of the financial report at the Association office. The request must contain a statement as to the purpose for which the document is needed or is to be used. Membership will be provided with the final report comparing actual income/expense to budget projections as soon as possible following the end of the fiscal year (December 31).

### **AUTHORIZED SIGNATURES**

The following individuals shall have authorization to sign checks and financial documents for the Association (up to \$500 requires one authorized signature; above \$500 requires two authorized signatures):

- President
- President Elect
- 2<sup>nd</sup> Vice President
- Treasurer
- Association Executive

Signature authorization cards and resolutions will be prepared by the Association and filed annually with all banks in which the Association maintains accounts.

### **CONTRACTS**

The President and Association Executive shall be the authorized representatives when creating a contractual relationship for services binding to the Association. If necessary, the Board may appoint a member of the Executive Committee to act as an additional authorized representative for contractual arrangements.

### **PURCHASING POLICY AND PROCEDURES**

I. Budget Approval.

- a. Funding for all purchases must have prior approval in either the annual operating budget or capital budget, except on an emergency basis.
- b. Funding for all purchases must be approved separately by the Association Executive and, if necessary, the Board of Directors.
- c. All reimbursable committee expenses by staff or volunteers must have prior approval by the Association Executive and must submit receipt(s) within thirty (30) calendar days after expenditure. If the expenditure is made by the Association Executive, either the President, President-Elect or Treasurer will approve reimbursement based on receipts/expense report.

II. Authorization and Spending Limits

- a. All purchases set forth in the budget will have the prior approval of the Association Executive.
- b. Unbudgeted purchases for under \$500 will be considered normal operating expenses and reported in the monthly financial statement.
- c. Unbudgeted purchases over \$500 must have the approval of the Board of Directors.
- d. Due to unforeseen emergencies or other extraordinary circumstances, it may be necessary to incur some expenditures without prior authorization. Example: Pipe bursts and water spills on telephone equipment necessitating repairs. If such an event were to occur, the expenditure to repair the emergency will be reported by the Association Executive to the Executive Committee (President, President-Elect, 2<sup>nd</sup> Vice President, Secretary and Treasurer) as soon as practicable.

III. Bids

- a. The Association will accept the individual bid which best fits the Association needs using the following criteria:
  1. Quality of products.
  2. Warranties offered if required.
  3. Quality of service.
  4. Frequency of service.
  5. Reliability of products/services.
  6. Location of vendor.
  7. Whether the vendor is the sole source.
  8. Cost and time to contact vendors.
  9. Ability to negotiate for other products/services.
  10. Past experience with vendor.
  11. Vendor's overall reputation in the marketplace.
- b. Multiple written bids will be solicited for expenditures over \$1,000, unless the Board determines it unnecessary (such as time sensitive building repairs or maintenance)
- c. At the end of a contract period for expenditures over \$1000, Association staff will contact a minimum of three vendors for future services/products and related costs, unless the Board determines it unnecessary.

IV. Related Party Bids

- a. Bids for products/services used by the Association will be accepted from related parties to

Association employees or members only under the following circumstances:

1. The relationship of the parties is fully disclosed to the Board of Directors prior to a decision being made.
2. The vendor's product or services are of the best quality in relation to the price offered.
3. The contract or transaction is fair, reasonable, and beneficial to the Association.
4. The related party is not involved in any aspect of the decision-making process other than to provide information pertaining to their bid.
5. Equal treatment is given to both related and unrelated parties in the decision-making process.

V. Definition of Related Parties

- a. An employee of the Association or a family member of an Association employee or member (mother, father, brother, sister, spouse, in-law, ancestor, lineal descendant, domestic partners, or other relative) who stands to benefit by an Association vendor transaction (including but not limited to the following relationships: by being an officer, principal, owner, salesperson or employee of a vendor [corporation, partnership or sole proprietorship] who is soliciting or doing business with the Association.)

VI. Gifts

- a. Acceptance of gifts from vendors to Board members is prohibited unless the gifts are of small value (\$50 or less) and are disclosed to the Association Executive and the other Board of Directors. Acceptance of any large gift as a condition to or in conjunction with the awarding of a contract to a vendor is prohibited.

### **DISBURSEMENTS**

Disbursements and payments of accounts payable shall be made in accordance with general bookkeeping procedures. Even though budgeted, any expenses to be incurred by the Association shall be approved by the Association Executive or President. The inter-office procedure followed for disbursements shall be:

1. Association staff receives and opens all billing statements.
2. Billing statements are presented to the Association Executive for review and authorization for payment.
3. When used, checks will be prepared and distributed as authorized by the Association Executive.
4. All checks over \$500.00 must be signed by two (2) authorized signatories before distribution. When possible, the Treasurer should be one of the two signatories.

### **DONATIONS TO CHARITIES**

It is the policy of the Association to refrain from making direct financial contributions to any charitable organization. However, this policy does not preclude the Association from participating in a project to raise funds for a particular charitable organization. This policy does not apply to any foundation, trust, or charitable organization that is owned or established by the Association.

### **EXPENSE REIMBURSEMENTS**

Reimbursement of approved expenses will be made, if the appropriate expense forms and receipts are submitted to the Association Office, in accordance with established procedures.

## **TRAVEL POLICY**

Any PEN-MAR member who is conducting official Association business is eligible to be reimbursed for expenses under \$100 incurred if prior approval is granted by the Board of Directors or Association Executive. Travel and mileage expenses over \$100 must receive Board approval prior to the activity. Mileage incurred on behalf of the Association will be reimbursed at the prevailing rate established by the Internal Revenue Service.

Travel expense allocations shall be determined by the Annual Budget. Any Director's unused travel funds are transferable to other Directors. Requests to transfer budgeted allocated funds from one Director to another must be approved by the Board. All annual travel budgets are on a "use-it-or-lose-it" basis.

## **ASSOCIATION TRAVEL ARRANGEMENTS**

Travel arrangements for all Members approved to attend Association-sponsored events, meetings, or activities will be handled by the Association staff, unless the President or Association Executive approve otherwise. Budget considerations must be adhered to in planning any travel.

## **NATIONAL DIRECTORS/OFFICERS MEETING EXPENSES**

When not otherwise reimbursed by the Association, National directors, National policy committee members, National award winners, the current Association President, and the Association Executive will receive a specified amount for each meeting attended as approved and allocated in the annual budget or otherwise approved by the Board of Directors.

## **REALTOR® AWARD WINNER AND LEADERSHIP ACADEMY EXPENSES**

The recipient of the REALTOR® of the Year (ROTY) award will be given financial assistance up to \$750.00 to participate or otherwise attend in-person or virtual State Association(s) sponsored events honoring all local ROTY's. For assistance, the recipient must provide receipts of expenses. Dinner for a guest shall not be included in reimbursement. The Association Executive and President shall use their travel budgets to attend this event and support the Association's ROTY.

Any Pen-Mar member accepted into a state or national REALTOR® Leadership Academy program shall be entitled up to \$750 in financial assistance to help cover costs of attending the program. \$375 shall be awarded upfront, and the remaining \$375 shall be awarded upon successful completion of the program. In cases of financial hardship, a recipient may request the Board pay for the entire \$750 upfront so as not to preclude any association member from participating in this important leadership development opportunity.

## **RPAC CONTRIBUTIONS**

The Legislative Committee shall make recommendations to the Board of Directors for local RPAC contributions to local and state political candidates or campaigns. In addition, when appropriate the Legislative Committee will make recommendations to the Board for State RPAC contributions to local candidates for State Office. All endorsement and RPAC recommendations will be based upon:

1. Voting record (if incumbent) in relation to REALTOR® issues (both local and state).
2. Candidate interviews, questionnaires, forums, debates, and/or any other publicly available information that determines the quality, character, and position of the candidate or campaign on real estate and important community issues.
4. Electability of candidate based on general knowledge of the field of candidates and the current political climate. When necessary the Committee may also determine that supporting a long-shot candidate is in the best interest of the Association. This includes sending a message of discontent or disapproval of the incumbent or frontrunner candidate.

5. Willingness to listen and to understand the REALTOR® position on issues confronting the real estate industry.

#### **SALE AND USE OF MEMBERSHIP ROSTER AND MAILING LABELS**

A "Membership Roster" shall be available to association members, for the sole use of association members. The Association, nor its members, shall provide or sell this list to non-members. To protect the privacy of our members, no member contact information, mailing labels, or mailing lists shall be provided or sold to non-members of the Association. This information shall only be used by Pen-Mar for Association related business and activities. It shall be the general policy of the Association to strive to protect membership data and member privacy, with the Membership Roster only displaying a member name, company/brokerage, and email address. If a member wishes to have additional contact information on the Membership Roster, they must opt-in or otherwise give express permission to add their phone number and/or mailing address.

#### **AVAILABILITY OF FORMS 990 (ANNUAL INFORMATION RETURN)**

All tax-exempt organizations must make available for public inspection a copy of their three most recent Forms 990 (Annual Information Return). A copy of the organization's application for federal tax exempt (Form 1023 or 1024) must also be made available along with copies of any relevant documents sent to or received from the IRS. All schedules or attachments filed with the Form 990 must also be made available, except for the list of contributions to the organization. [This disclosure does not extend to Form 990-T.]

Inspection must be permitted during regular business hours at the organization's principal office. The Association is under no obligation to distribute a copy of said materials to a requestor; but must either allow the requestor to take notes freely or permit him/her to make copies. The organization may require a written request in order to provide copies or may choose to mail the information in lieu of a physical inspection.

When a tax-exempt organization offers to sell specific information or a routine service to an individual that could be readily obtained free of charge or for a nominal fee [the government defines nominal charge as less than \$2.50, including postage and handling], that fact must be disclosed in a conspicuous and easily recognizable format.

#### **NO SMOKING POLICY**

A no smoking policy is in effect within the Association office. The policy applies to all persons (member, non member or employee) visiting or using the Association office. Smoking is permitted on Association property in designated areas only.

#### **EMPLOYMENT POLICY**

The Association is an equal opportunity employer. An individual's religion, age, sex, national origin, race, creed, color, physical or mental handicap, political opinion, sexual orientation or marital status have no bearing on our hiring, promotion, pay or benefits policies. The Association recognizes that each employee has the right to terminate his or her employment at will whenever he or she so chooses for any reason or for no reason; this Association reserves to itself the same right and no contract is intended or made by virtue of employment by the Association. Other policies are as set forth in a separate Employee Policy Manual.

#### **SOLICITATIONS**

All solicitations of funds and/or donations, financing of projects involved, and endorsements, if any, must be submitted in writing to the Board of Directors for approval before implementation. In addition, a budget must be submitted to the Board of Directors for approval for projects wherein Association finances will be pledged



against any losses or advance payments of cost.

Disclosure requirements regarding fundraising solicitations made by noncharitable tax exempt groups whose gross receipts exceed \$100,000:

1. Contributions or gifts to the Pen-Mar REALTORS® are not tax deductible as charitable contributions for Federal income tax purposes. However, they may be tax deductible under other provisions of the Internal Revenue Code. Dues invoices or other fundraising solicitations must contain a conspicuous and easily recognizable statement to this effect. Failure to comply could lead to a penalty of \$1,000 per day when such failure occurs, up to a maximum annual penalty of \$10,000.
2. Fundraiser tickets must include this special notice: "Donations paid by you for this event may not qualify as a deduction for charitable purposes on your state and federal income tax return. You should consult with your accountant or legal advisor before claiming such donations as a charitable expense."
3. Fundraiser promotional materials must include this special notice: "Donations paid by ticket purchasers for this event may not qualify as a deduction for charitable purposes on your state or federal income tax return. Purchasers of tickets should consult with an accountant or legal advisor before claiming such donations as a charitable expense."

### **USE OF ASSOCIATION PROPERTY**

Telephones, copying machines, facsimile machines, computers, software programs, operating manuals, files, reference materials, stamps, mail facilities, desks, filing cabinets, and any materials/equipment located within the physical office facilities of the Association are the property of the Association.

Members can use the Association Conference Room under the terms and conditions of the Conference Room Rental Agreement, available at the Association office.

The Association Executive or President reserves the right to enter any employee's work space, to open the desk, filing cabinets or workstation drawers to obtain material belonging to the Association. Personal items brought into the offices by an employee or member will be the responsibility of the individual employee or member and the Association has no liability with regard to loss or damage.

### **WAIVER FOR RELEASE OF PROFESSIONAL INFORMATION**

Each Member of Pen-Mar REALTORS® shall have on file at the Association office a Waiver for Release of Professional Information. This Waiver states if the Member will or will not allow the Association office to release professional information for the purpose of Association related press releases and/or for submission of information in consideration of any real estate related award.

### **COMMITTEE MEETINGS AT ASSOCIATION OFFICE**

In order to minimize legal liability, it is recommended that all committee meetings take place at the Association Office or virtually. Unless approved by the Association Executive, meetings must be conducted during office hours, 8:00 a.m. to 4:00 p.m.

### **MEMBER AND ASSOCIATION SPONSORSHIPS**

The following rules and considerations apply to Pen-Mar membership sponsors for events and activities, as well as association sponsorships to outside organizations, groups, and other parties or activities.

a) All members who sponsor Pen-Mar and/or RPAC activities are allowed to freely sponsor with their individual name/logo, brokerage name/logo, or Affiliate business name/logo. Under no circumstances should these sponsorships be treated or otherwise support recruiting activities at the event(s). All association events

and activities should be safe and neutral grounds for member gatherings, free of agent recruiting efforts.

b) Regarding association sponsorships, when deciding whether Pen-Mar should sponsor any program, product, or service, the Board of Directors will consider the following guidelines, recommendations, as general criteria in their deliberations:

1. The program, product, or service will benefit a significant number of the total membership.
2. The program, product, or service will have a major purpose related to real estate or any other item set forth in the Strategic Plan, if applicable.
3. The program, product, or service will have a break-even cost or will earn money for the Association.

### **DESIGNATED REALTOR® REQUIREMENTS**

In any circumstance wherein a member who is a Designated REALTOR® (*Broker or person authorized to stand in the shoes of the Broker*) of a firm is being replaced by another person within or outside the firm, a thirty (30) business day transition period will be in effect during which time the new broker or authorized representative must make application for membership and satisfy the requirements for that category of membership to which transferred as set forth in the Association bylaws. During the thirty (30) day transition, the person changing status will comply with all requirements of membership. Notification of Change in broker must be received in writing from the Broker of Record.

### **COMPENSATION NOTICE**

Under the long-established policy of this Association, the Maryland Association of REALTORS®, the Pennsylvania Association of REALTORS®, and the National Association of REALTORS®:

1. The broker's compensation for services rendered in respect to any listing is solely a matter of negotiation between the broker and his or her client, and is not fixed, controlled, recommended, or maintained by any person(s) not a party to the listing agreement.
2. The sub-agency compensation paid by a listing broker to a buyer broker or cooperating broker with respect to any listing is established by the listing broker in the offer of subagency, and is not fixed, controlled, recommended or maintained by any persons other than the listing broker.
3. The compensation, if any, offered by a listing broker to a buyer broker or cooperating broker representing a prospective purchaser in respect to any listing is established by the listing broker, and is not fixed, controlled, recommended, or maintained by any persons other than the listing broker.

### **VIOLATIONS OF THE FEDERAL FAIR HOUSING ACT**

1. Each Designated REALTOR® is required to educate or arrange for the education of their directors, officers, salespersons, associates and employees (as appropriate) concerning the scope and requirements of the Federal Fair Housing Act.
2. All documents produced and disseminated by the Association (such as listing forms, contract forms, disclosure forms, etc.) should bear the Equal Housing Opportunity logo and all documents must be used in the format provided. In particular, the Equal Housing Opportunity logo is not to be obscured, deleted or modified.
3. PEN-MAR requires that Members must indemnify the Association for any expense, cost, loss or judgment, including attorneys' fees, in the event that the listing, publication or other communication of any Member (including sales associates and appraisers employed or affiliated with the Member) causes any claim to be made against, or any liability imposed against, the Association for violation of the Federal Fair Housing Act.

## **WHISTLEBLOWER POLICY**

A whistleblower as defined by this policy is an officer, director, employee or member of the Pen-Mar REALTORS® who, in good faith, reports an activity which he/she considers to be illegal or dishonest by one or more of the officers, directors or employees of the Association. The whistleblower is not responsible for investigating the activity or for determining fault or corrective measures; appropriate management officials are charged with these responsibilities.

Examples of illegal or dishonest activities are violations of federal, state or local laws; billing for services not performed or for goods not delivered; and other fraudulent financial reporting.

If an officer, director, employee or member has knowledge of or a concern of illegal or dishonest fraudulent activity by an officer, director or employee, the officer, director, employee or the whistleblower is to contact the Association Executive or the President of the Association. Any employee who intentionally files a false report of wrongdoing will be subject to disciplinary action including termination of employment. Officers, directors and members will be subject to removal from office and/or a potential REALTOR® Code of Ethics violation.

Whistleblower protections are provided in two important areas - confidentiality and a shield from retaliation. Insofar as possible, the confidentiality of the whistleblower will be maintained. However, the identity of the whistleblower may have to be disclosed in order to conduct a thorough investigation; to comply with the law; and to provide accused individuals due process of law. The Association will not retaliate against a whistleblower. This includes, but is not limited to, protection from retaliation in the form of an adverse employment action such as termination, compensation decreases, or poor work assignments and threats of physical harm. Any whistleblower who believes he/she is being retaliated against must contact the Association Executive or President of the Association immediately. If the perceived retaliation is by the Association Executive, the whistleblower must contact the President of the Association. The right of a whistleblower for protection against retaliation does not include immunity for any personal wrongdoing that is alleged and investigated.

All reports of illegal and dishonest activities shall be promptly submitted, in writing, to the Association Executive who is responsible for investigating and coordinating corrective action, unless the whistleblower is reporting on the activities of the Association Executive, in which case the written report shall be promptly submitted to the President who shall be responsible for investigating and coordinating corrective action.

Officers, directors, employees or members with any questions regarding this policy should contact the Association Executive.

### **PERTINENT INFORMATION FOR ALL COMMITTEE CHAIRPERSONS**

1. **EXPENDITURES.** All committee expenditures must be approved by the Association Executive for budget tracking. Special requests, that were not budgeted, must be approved by the Board of Directors.
2. **COMMITTEE MINUTES AND REPORTS.** It is the responsibility of the chairperson to coordinate with the Association Executive or assigned staff member to determine who shall take minutes at each meeting. All committee meeting minutes and reports shall be presented to the Board of Directors at their regularly scheduled monthly meetings
3. **COMMITTEE MEETINGS.** All committee meetings shall be coordinated through the Association Executive or assigned staff member(s). Unless otherwise approved by the Association Executive all meetings must occur at the Association office or virtually during the association business hours..
4. **CORRESPONDENCE.** All correspondence to association members or the public, including press releases, TV, radio, or other interviews, must be approved by the Association Executive, and where appropriate and applicable shall be prepared on Association letterhead for distribution. Any items

that need to be mailed on behalf of a committee can be brought to the Association office for staff to mail as long as the materials being mailed have been reviewed and approved by the Association Executive.

5. **CONDUCTING COMMITTEE BUSINESS.** When possible all committees shall follow Roberts Rules of Order and strive to conduct timely and efficient meetings. All committees shall respect each attendees time and make every effort to keep meetings to their predesignated times. It is the responsibility of each Chair to run a meeting on time and ensure all business is conducted ethically and professionally.
6. **MAR and PAR COMMITTEE REPORTS.** For chairs that attend or serve on state committees, please report to the Board of Directors or Association Executive, in a timely manner, any pertinent information that would be useful on the local level.
7. **COMMITTEE MANUAL.** See individual committee descriptions for committee, staff & BOD responsibilities (available in Association office or email if requested).

### **CODE OF ETHICS AND ARBITRATION PROCEEDINGS**

The NAR Code of Ethics and Arbitration Manual provides in “question and answer” number 6, as it appears on Page 239 of the 2015 Edition of the Manual, provides as follows:

“The National Association has no policy governing retention of professional standards records. Boards are encouraged to consult legal counsel in determining how long professional standards records should be kept. NAR recommends that records relative to ethics hearings be retained for one year after any discipline has been complied with, absent a threat of litigation. In arbitration cases, records should be retained for one year after the award has been paid, absent a threat of litigation. Minimally, all professional standards records should be retained until the appeal or procedural review period has expired and it is recommended that the final decision of the arbitration Hearing Panels and Board of Directors relative to ethics proceedings be retained permanently in the respondent’s membership file.”

**A. Ethics Proceedings:** The original signed Decision of the Ethics Hearing Panel (Form #E-11), signed by the members of the Hearing Panel and the original Action of the Board of Directors (Form #E-12), if applicable, shall be retained permanently.

All remaining documents, audiotape recordings, correspondence and exhibits pertaining to the case shall be destroyed one (1) year following the closing of the file except in the event of any pending litigation of which the Board or Association has actual knowledge.

For the purpose of the above-recommended policy, in an ethics proceeding where the Respondent has not been found in violation of the Code of Ethics, the term “closing of the file” shall mean thirty (30) days following the final action of the Board of Directors and dissemination of the Decision of Ethics Hearing Panel as provided for in the Code of Ethics and Arbitration Manual (the “Manual”), provided no appeal has been filed. In the event an appeal has been filed, the file shall be deemed closed thirty (30) days following the final action by the Board of Directors with respect to such appeal. In the case where a Respondent has been found in violation of the Code of Ethics and a sanction is imposed involving the payment of a fine, attendance at a specified course or seminar or membership is suspended, the file shall be deemed closed on the date the Respondent pays the fine, presents satisfactory evidence of completion of the required course or seminar, or upon the expiration of the suspension period.

In the event an ethics complaint is dismissed by the Grievance Committee, the file shall be deemed closed thirty (30) days following the notice to the parties of such dismissal or thirty (30) days following the action by the Board of Directors with respect to any appeal filed by the Complainant concerning such dismissal. If a Respondent resigns or terminates membership in the Association during the pendency of an ethics complaint, the file shall not be deemed closed but shall be held in abeyance pursuant to the Code of Ethics and Arbitration Manual of the National Association of REALTORS® (“the Manual”).

**B. Arbitration Proceedings:** The original signed Request and Agreement to Arbitrate (Form #A-1); the original signed Response and Agreement to Arbitrate (Form #A-4); the original signed Award of Arbitrators (Form #A-12); and the original signed Action of the Board of Directors (Form #A-14 modified), if applicable, shall be retained permanently.

All remaining documents, audiotape recordings, correspondence and exhibits pertaining to the case shall be destroyed one (1) year following the closing of the file except in the event of any pending litigation of which the Board or Association has actual knowledge.

For the purpose of the above-recommended policy, in an arbitration proceeding, the term "closing of the file" shall mean thirty (30) days following the mailing of the Award of Arbitrators or, if applicable, thirty (30) days following the final action of the Board of Directors with respect to any appeal based upon procedural error filed pursuant to the Manual.

In the event an arbitration request is dismissed by the Grievance Committee or determined and classified to be voluntary rather than mandatory, the file shall be deemed closed thirty (30) days following the notice to the parties of such dismissal or classification or thirty (30) days following the action by the Board of Directors with respect to any appeal filed concerning such dismissal or classification.

**C. Limitation on Destruction of Documents:** Under no circumstances shall the contents of any file in an ethics or arbitration proceeding be destroyed where the Board or Association has knowledge of any actual or threatened claim, litigation, administrative proceeding, including a pending complaint before the Maryland Real Estate Commission, Pennsylvania Real Estate Commission or investigation and arising out of such ethics or arbitration proceeding, or where the Board or Association has been duly served with a subpoena.

D. If the Association contracts with another REALTOR® Association, state or local, to partner or oversee Professional Standards, Grievance, Ethics, and Mediation matters, the terms of that agreement shall supersede these policies so long as it is compliant with NAR requirements. Any changes to costs or fees on these matters shall be made available to the requesting member.

### **FILING FEES FOR PROFESSIONAL STANDARDS CASES**

See Fee Schedule for fees to initiate an Arbitration proceeding, appeal of an Ethics decision and a Procedural Review of an Arbitration decision. If applicable, a joint agreement for these services between the Association and other REALTOR® Associations may supersede the Fee Schedule. That information shall be made available to any inquiring member.

### **RETURN OF MONEY DEPOSITED BY PARTIES**

**ARBITRATION:** The prevailing party shall have their deposit returned in the event of no request for Procedural Review (Appeal). If a Request for Procedural Review is made, all deposits are kept until such time a determination is made by the Board of Directors hearing the appeal. Once a decision is rendered by the Board of Directors hearing a Procedural Review, then the prevailing party's deposit is returned, unless the case is remanded back for another hearing. In that instance, at the end of the new hearing, the deposit is returned to the prevailing party.

**ETHICS APPEAL:** If the recommendation of the Hearing Panel is upheld and adopted by the Board of Directors, the deposit amount shall pass into the general treasury of the Association. If the Hearing Panel's recommendation is rejected, the deposit shall be returned to the party who made the deposit. If the recommendation of the Hearing Panel is modified by the Board of Directors, the Directors shall determine the disposition of the deposit.

**ARBITRATION REQUEST FOR PROCEDURAL REVIEW:** If the Board of Directors determine that due process was given, the deposit amount shall pass into the general treasury of the Association. If the Board of Directors finds that there was a lack of due process and procedure, then the deposit shall be returned to the party who

made the deposit, and the case will be heard by a different Hearing Panel of the Professional Standards Committee.

**SPECIAL NOTE: ARBITRATION:** In the event that a Hearing Panel determines that an Arbitration case is too legally complex to render a decision for either party, then both party's deposit is returned; unless one of the parties requests a Procedural Review by the Board of Directors. Once the Procedural Review decision is rendered, then the appropriate amount is returned as described above.

### **COPY COSTS DURING HEARINGS**

Each party in a hearing is responsible for bringing the requested number of copies to the scheduled hearing. The cost of copies required to be made by the Association at the time of or during the hearing shall be assessed against the party introducing the document at a rate indicated on the attached Fee Schedule, payable in advance. If applicable, a joint agreement for these services between the Association and other REALTOR® Associations may supersede these costs.

### **MEDIATION**

The Association Executive, upon receipt of a completed written request for arbitration, will inquire of all parties whether they desire to participate in mediation prior to review of the arbitration request by the Grievance Committee. It must be understood by all parties that participation in mediation procedures is entirely voluntary. If the parties agree, the matter will be referred to the Mediation Officer who will arrange a mutually convenient time and location for mediation. If the mediation attempt is unsuccessful, or if either of the parties wishes to discontinue the mediation process, for any reason, then mediation will be terminated and the request for arbitration will be referred to the Grievance Committee for review. If applicable, a joint agreement for these services between the Association and other REALTOR® Associations may supersede these terms.

*For further information on the mediation process, see appendix five to part ten, of the Code of Ethics and Arbitration Manual.*

*Procedures pertaining to the Professional Standards process may also be found in the Code of Ethics and Arbitration Manual.*

### **PROFESSIONAL STANDARDS POLICIES**

Filing deposits in arbitrations are to be refunded in whole to both parties where such disputes in arbitration are resolved through mediation prior to any arbitration hearing.

### **PEN-MAR INVESTMENT POLICY AND GUIDELINES**

#### **I. INVESTMENT GOALS**

The goals for investment of PEN-MAR's long term (non-operating funds) reserves are:

1. Preservation of principal
2. Prudent quality investments
3. Maximum return within the limits of the policy

#### **II. RESPONSIBILITIES**

1. The Board of Directors is responsible for approving the statement of Policy and Guidelines.
2. The Budget and Finance Committee and PEN-MAR's Association Executive are responsible for overseeing the implementation of the Investment Policy. (The Budget and Finance Committee is comprised of the President, President-Elect, 2<sup>nd</sup> Vice

President, Treasurer, and up to three (3) members at large).

3. The Treasurer of the Budget & Finance Committee, which has the day to day responsibility for implementing the Investment Policy and making related decisions.
4. The Investment Advisor (an outside firm) is responsible for advising the Budget & Finance Committee in developing a long-term investment plan and appropriate investments to reach its goals.

### **III. PROCEDURES**

1. The Chair, with the majority approval of the PEN-MAR Executive Committee, may appoint up to three (3) at large members, who are not current Officers, to serve on the Budget & Finance Committee, along with the CEO.
2. The Budget and Finance Committee will meet quarterly with the Investment Advisor to make investment decisions and review investment performance.
3. The Budget and Finance Committee will send out RFP's every three (3) years to ensure investment goals are fulfilled.
4. The Treasurer, on behalf of the Budget and Finance Committee, will report to the Board of the Directors on the status of investments and investment performance.
5. The Investment Advisor (outside firm) will provide regular written reports to the Budget and Finance Committee and the Association Executive about the investment portfolio, earnings and progress toward reaching investment goals.

### **IV. PERMITTED INVESTMENT/RANGES**

Liquid assets will be invested within the following parameters:

1. An amount equal to six (6) months of currently budgeted Operating Expenses shall only be invested in cash or cash equivalency, in a money market or other short-term liquid product with FDIC coverage.
2. Remaining funds after set aside in No. 1 to be invested as follows with a 5% variance in either direction.

a) 0-20% Equities/Mutual Funds

b) 21-100% Balance - Cash (held at a federally insured institution), Investment grade Corporate Bonds, US Government securities, fixed income funds, Fannie Mae, Freddie Mac or Ginnie Mae Securities, federally-insured Certificates of Deposit.

Concentrations: Concentrations in individual securities, industries and

economic sectors should not be so high as to subject the overall portfolio to undo risk. The investment advisor should not purposely create a concentration, but if a stock concentration (over 10%) does exist due to a stock transfer or gift, or created unintentionally, a plan of action is to be discussed by the advisor and implemented immediately to align to the above allocation. If the Budget Committee requests that we maintain a stock concentration, it is required that the Board of Directors do so in writing.

### **V. POTENTIAL INVESTMENT/PARTNERSHIP**

Any investment or partnership with another non-profit must:

- a. Benefit housing and promote home ownership

- b. Maintain at least a 1% annual return on the Association dollars pledged or advanced.

## **VI. PROHIBITED INVESTMENTS**

1. Private Placements
2. Letter Stock
3. Derivatives
4. Commodities
5. Short Sales
6. Margin Transactions
7. Speculative Investments
8. Real Estate (except the Association's offices and investments that fall under V. above)

## **VII. OPERATING FUNDS**

Operating Funds are those funds expected to be spent in the normal course of business during the current budget cycle in accounts liquid enough to meet the Association's cash needs for the current year. Operating funds shall be maintained in federally insured institutions in amounts not to exceed the insured limit, or in U.S. or agency obligations, or in money market funds which are invested exclusively in U.S. government and agency obligations, including mortgage-backed securities and related repurchase agreements.

## **VIII. DRAWS AND OR DISTRIBUTIONS FROM LONG-TERM RESERVES**

Except in the instance of a partnership with Habitat or a like-minded organization approved by the Board of Directors, draws from the reserves will be limited to 5% of the 5-year average value of the reserves invested.

In the event additional funds are added to the reserve account, those funds must season for twelve months before being considered as part of the 5-year average value. \*Any draws and or distributions in excess of the 5% should be considered on a case-by-case basis and voted on by the majority of the Board. \*. \* In the case of buying property or building an office, the board will take a majority vote and make distributions on a case-by-case basis not to affect tax status\*

## **SOCIAL MEDIA POLICIES**

It is the general policy that all social media accounts shall be managed by the Association Executive. The Association Executive or an assigned staff member shall manage all of the Association's social media content and activities. This includes any additional accounts related to or owned by the Association.

All social media activities shall be related to association business or activities and shall not be used for personal interests of staff or individual members. The purpose and goal of any Association social media content or usage shall be to further the interests and goals of the Association, including community outreach, advocacy, and anything else within the Strategic Plan.

## **STATEMENT OF POLICY REGARDING THE DUTY OF CONFIDENTIALITY**

1. **PURPOSE OF STATEMENT OF POLICY:** The Pen-Mar REALTORS® ("the Association") exists to promote the collective interests of its members in order that the members might better serve their clients, customers and the general public interest.



As between the Association and its Board of Directors, officers, designated committee and task force chairpersons, designated committee and task force members and management employees, there exists a fiduciary duty which carries with it a broad and unbinding duty to maintain the confidentiality of certain matters pending before the Association. Directors, officers, designated committee and task force chairpersons, designated committee and task force members and employees of the Association have the responsibility and the solemn obligation to protect the confidentiality of certain business matters before the Association and to guard against the unauthorized disclosure of confidential facts or actions except as otherwise required by law.

2. **APPLICATION OF STATEMENT OF POLICY:** This Statement of Policy is applicable to directors, officers, designated committee and task force chairpersons, designated committee and task force members and management employees of the Association who are involved in or participate in discussions and decisions concerning the business affairs of the Association and, in particular, those discussions and decisions of a sensitive and confidential nature as more particularly set forth in Section 4 of this Statement of Policy. The Board of Directors shall identify and shall designate those committees and task forces to which this Statement of Policy shall be applicable. All such individuals as identified above in this Section 2 and those committee or task force chairpersons and members as designated by the Board of Directors shall be referred to, collectively, as Management Personnel.
3. **DUTY TO PROTECT CONFIDENTIAL FACTS, INFORMATION AND DISCUSSIONS:** Except as otherwise required by law and as required in the exercise and discharge of their duties on behalf of the Association, Management Personnel shall not discuss with or disclose to third persons confidential matters of The Association as defined in Paragraph 4 below other than those Management Personnel involved in the matter and to legal counsel of the Association.
4. **CONFIDENTIAL AFFAIRS OF THE ASSOCIATION:** For the purpose of this Statement of Policy, confidential matters of the Association, include, but are not limited to, the following:
  - a. **Code of Ethics and Arbitration Proceedings:**
    - i. The identity of any party to a past or pending ethics or arbitration proceeding.
    - ii. Any action taken by the Grievance Committee regarding a pending ethics complaint or arbitration request.
    - iii. The contents of any complaint or testimony and evidence made or received in a past or pending ethics or arbitration proceeding.
    - iv. The decision of the Hearing Panel or of the Board of Directors following any appeal.
    - v. The discussions or statements made during any deliberations by the Grievance Committee, a Hearing Panel or the Board of Directors following any appeal.
    - vi. The amount of any award or the nature of any discipline made in a past or pending arbitration or ethics proceeding.
  - b. **Employment Matters:**
    - i. The terms and conditions of any employment contract with Association staff personnel, including the Association Executive.
    - ii. The nature of any disciplinary action taken against an employee of the Association.

- c. Association Business Matters – Personnel:
  - i. The discussions or statements made regarding candidates for officer or director made during the nomination process.
  - ii. The identity of any individual being considered as a possible candidate for officer or director except as reported by the Nominating Committee.
  - iii. Any inquiry as to the interest or availability of an Association member to hold elective office or to be considered for nomination to an elective office in the Association unless authorized to do so.
  - iv. Any statement made by an Association member regarding the qualification or eligibility of an applicant for membership in the Association.
  - v. Any inquiry, investigation or discussion regarding improper conduct of an officer, director or employee of the Association in the performance of their duties or the possible removal of such individual from elected office or employment.
  - vi. Any consideration or discussions regarding the suspension or expulsion of an Association member for non-payment of dues, fees, fines or charges or the identity of such members.
  - vii. Statements or discussions regarding the qualifications and selection of Association award recipients including REALTOR® of the Year.
- d. Association Business Matters – Contractual:
  - i. The terms and conditions of any bid or proposal made for the providing of goods or services to the Association by prospective service providers or vendors during the bid and selection process.
  - ii. Consideration and discussions relating to the possible termination of or non-renewal of existing contracts or relationship between the Association and third-party service providers or vendors including professional service providers.
- e. Legal Matters:
  - i. Any discussion regarding actual or threatened litigation against the Association and the legal strategy in defending against such litigation including any discussions, correspondence and documents otherwise protected by the attorney-client privilege.
  - ii. Any consideration of or discussions regarding the possible or actual institution of legal action by the Association and the legal strategy in maintaining such action including any discussions, correspondence or documents otherwise protected by the attorney-client privilege.
  - iii. Any advice of legal counsel advising that the Association, its officers, directors, agents and employees have or are considering the commission of an illegal or impermissible act or activity.
- f. Other Designated Confidential Matters: Any matter, fact, information, consideration or discussion designated, from time to time, by the Board of Directors, President, President-elect or Committee Chairperson as being confidential.

5. **SUBSCRIPTION:** All Management Personnel as defined in Section 2 of this Statement of Policy shall be required to read and to subscribe to this Statement of Policy prior to the commencement of his or her duties on behalf of the Association. Management Personnel who initially subscribe to this Statement of Policy shall not be subsequently required to re- subscribe annually or to re-subscribe whenever he or she undertakes a different duty or office or undertakes multiple duties or assignments on behalf of the Association so long as he or she has acted in the capacity of Management Personnel on a continuous basis since the initial subscription to this Statement of Policy. Any individual who ceases to act as Management Personnel for a period of one (1) year or more shall be required to read and re-subscribe to this Statement of Policy prior to the commencement of his or her duties as a subsequent Management Personnel.

### **STATEMENT OF POLICY IN REGARD TO CONFLICT OF INTEREST**

1. **PURPOSE OF STATEMENT OF POLICY:** The Pen-Mar REALTORS® ("the Association") exists to promote the collective interests of its members in order that the members might better serve their clients, customers and the general public interest.

As between the Association and its Board of Directors, officers and management employees, there exists a fiduciary duty which carries with it a broad and unbinding duty of loyalty. Directors, officers and management employees of the Association have the responsibility and the solemn obligation to administer the affairs of the Association honestly and prudently, and to exercise their best diligence, skill and judgment for the sole benefit of the Association and its members. Directors, officers, and management employees shall exercise the utmost good faith in all actions and conduct in the discharge of their duties and shall not use their positions with the Association or knowledge gained therefrom for their own direct or indirect personal benefit. The best interest of the Association is paramount and all decisions concerning the purchase of goods and services must be made on a basis that secures for the Association and its members full competitive advantages as to the product, services, and price.

2. **PERSONS CONCERNED:** This policy statement is directed not only to directors and officers, but to all employees of the Association and volunteers acting on behalf of the Association who are in a position to influence the actions of the Association or its Board of Directors, or to make commitments on their own behalf. This policy statement therefore is applicable to any person acting on behalf of the Association who makes purchasing decisions; all persons who might be characterized as "Management Personnel"; and all persons who obtain proprietary information concerning the Association.
3. **AREAS IN WHICH CONFLICTS OF INTEREST MAY ARISE:** Conflicts of interest affecting directors, officers, volunteers, and management employees may occur in any transaction involving third parties, including, but not limited to:
  - a. Persons or entities supplying goods and/or services to the Association (including hotels and conference centers).
  - b. Persons or entities from which the Association leases property or equipment.
  - c. Persons or entities with whom the Association is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities or other products and services.
  - d. Persons or entities paying honorariums or royalties for products or services delivered

by the Association or its agents or employees.

- e. Other nonprofit organizations.
  - f. Donors and others supporting the Association.
  - g. Agencies, organizations, and associations that affect the operations of the Association.
4. NATURE OF DIRECT CONFLICT OF INTEREST: A material conflict of interest is defined as an interest, direct or indirect, between any person or entity mentioned in Section 3 and a director, officer, volunteer or management employee, which might affect, or might reasonably be thought by others to affect, the judgment or conduct of a director, officer, volunteer or management employee of the Association. Such an interest might arise through:
- a. Owning stock or holding debt or other proprietary interest in any third party dealing with the Association.
  - b. Holding office, serving on the Board of Directors, participating in management, or being otherwise employed (or formerly employed) by any third party dealing with the Association.
  - c. Receiving remuneration or anything of value for services with respect to individual transactions involving the Association.
  - d. Using the Association's personnel, equipment, supplies or good will for other than Association approved activities, programs, and purposes.
  - e. Receiving personal gifts, loans, or referrals of business from third parties dealing with the Association. The receipt of any gift is prohibited except those gifts of nominal value. No personal gift of money should ever be accepted.
  - f. Obtaining an interest in real estate, securities, or other property that the Association might consider buying or leasing.
  - g. Expending staff time during normal business hours for personal affairs or for the other organizations, civic or otherwise, unrelated to Association activities and programs.
5. NATURE OF INDIRECT CONFLICTS OF INTERESTS: Conflicts of interest may also be indirect. A director, officer volunteer or management employee will be considered to have an indirect conflict of interest in any entity or transaction if any of the following have an interest in the entity or transaction:
- a. A family member of a director, officer, volunteer, or management employee. (Family members are defined for these purposes as all persons related by blood or marriage).
  - b. An estate or trust of which the director, officer. Volunteer or management employee or member of his/her family is a beneficiary, personal representative, or trustee.
  - c. A company of which a member of the family of the director, officer, volunteer, or management employee is an officer, director or employee or has ownership or other proprietary interests.
  - d. An individual with whom a director, officer, volunteer, or management employee

has a close personal or business relationship.

6. **INTERPRETATION OF THIS POLICY STATEMENT:** The areas of conflict of interest, as enumerated in Section 3, and the relationships which may give rise to a direct or indirect conflict, as enumerated in Section 4 and Section 5, are not exhaustive. Conceivably, conflicts might arise in the other areas or through other types of relationships. It is the responsibility of all directors, officers, volunteers, and management employees to recognize and identify such additional areas and relationships which may create a conflict of interest. The fact that any one of the relationships described in Section 4 and Section 5 exists does not necessarily mean that a conflict of interest exists, or that the conflict, if it exists, is material enough to be of practical importance, or, if material, that upon full disclosure of all relevant facts and circumstances regarding the relationship that the relationship is necessarily adverse to the best interest of the Association.
7. **DISCLOSURE OF CONFLICT OF INTERESTS AND RELATIONSHIPS:** It is the policy of the Association that the existence of any conflict of interest or any relationships described in Section 4 or Section 5 shall be fully disclosed at the earliest opportunity when such a conflict of interest could reasonably be expected to affect the contemplated transactions and, in any event, before any final decision as to any contemplated transaction in consummated. It shall be the continuing responsibility of directors, officers, volunteers, and management employees to scrutinize their transactions and outside business interests and relationships for potential conflicts and to immediately make full disclosure of such conflict and interests or relationships.

Disclosure should be made to the President (or, if the President is the one with the conflict, then to another officer) of the Association who shall bring all facts and circumstances regarding the disclosure to the attention of the Board of Directors. The Board of Directors shall determine whether a material conflict of interest exists. In the event of a finding of an existing or material conflict of interest, the Board of Directors shall determine whether the contemplated transaction may be authorized as just, fair, and reasonable as to the Association. The decision of the Board of Directors on all such matters shall be in the sole discretion of the directors and shall be determined based upon the best interest of the Association and its purposes. In any such transaction where the Board of Directors of the Association has determined that a material conflict of interest exists, the director, officer, volunteer or management employee with the conflict shall not participate in any capacity, directly or indirectly, in the transaction and shall not participate in any subsequent discussions or vote as to the transactions and shall not attempt, directly or indirectly, to influence the outcome as to the transaction.

## **BOARD OF DIRECTORS CONSENT AGENDA POLICY**

### **Purpose**

To expedite the conduct of routine business during board meetings in order to allocate more meeting time to discussion of substantive issues.

### **Policy**

1. Motions, resolutions, and all supporting materials for the consent agenda will be sent to board members at least 5 business days in advance.

2. The consent agenda should consist of routine financial, legal and administrative matters that require board action.
3. Consent agenda items are expected to be non-controversial, or similar content, or are items which have already been discussed and/or explained and do not require further discussion or explanation.
4. The consent agenda should be considered early in a board meeting.
5. The Chair/President will ask if any member wishes to remove an item from the consent agenda for separate consideration, and if so, the Chair/President will schedule it for later in the meeting.
6. The consent agenda requires a unanimous vote from members in attendance if a quorum is present.
7. A request to remove an item from the consent agenda does not require a second or a vote by the Board.

### **Examples**

1. The following items would be suitable for the consent agenda:
  - Correspondence
  - Approval of Financial Reports
  - Approval of Minutes
  - Approval of Reports (i.e.: Committee, Directors, Officers, Staff)
  - Approval of New Members
  - Approval of Signatories for Bank Accounts
  - Reaffirmation of Professional Standards Regional Agreement
  - Approval of vendor contracts that have been reviewed by a designated board committee(s)
  - Approval of NAR recommended bylaws changes
  - Approval of routine but unbudgeted capital expenditures of less than \$2,000 that have been approved by the Budget & Finance Committee, such as an unexpected replacement of equipment or an unplanned facility upgrade per the Policy Manual
2. The following items are not suitable for the consent agenda:
  - Approval of the annual update of the strategic plan
  - Approval of the annual budget

### **Association Executive Review Policy**

#### **Annual Review Process:**

The Association Executive (AE) Review shall occur annually during the month in which the AE was initially hired. If this becomes unfeasible, the Review shall occur as soon as reasonably possible and

agreed upon between the AE and Association President.

**Annual Review Policy:**

The Review Panel shall consist of the Association’s Executive Committee and Immediate Past President. The Review shall be led by the Association President and conducted using the approved AE Evaluation Form. This Form and all details of the Review shall be kept confidential. The Form shall be placed in the AE’s employment folder.

As a general practice, the Board will only be notified if changes are being recommended, including changing the terms of employment, ending employment, modifying the employment contract, or making changes to compensation and benefits. All changes must be approved by the Board.

**Annual Review Purpose:**

The purpose of this evaluation is for key association leadership to Review the AE’s leadership efforts and association management over the past year. It is also the appropriate time to provide constructive feedback and offer guidance and suggestions where necessary. This is also an opportunity for any discussions related to the AE’s compensation, including pay raises, bonuses, or changes to benefits.

If the Panel determines there are irreconcilable differences between the AE and Board’s vision and preferred direction of the Association, this is the appropriate time to discuss with the AE so proper arrangements can be made for a reasonable severance timeline and planning the transition. Any final decision regarding the termination of the AE must be approved by the Board.

**Appendix 1**

**PEN-MAR SCHEDULE OF FEES AND CHARGES**

Membership Fees

REALTOR® Application Fee	\$250.00
Affiliate Application Fee	\$125.00
Affiliate Member/Company	\$150.00
Additional Added Affiliate Person(s)	\$75.00
New Member Firm (one-time fee)	\$300.00
Branch Office (one-time, per new office)	\$100.00
Change to License Fee (other than Marital Status or Renewals)	\$20.00
Conference Room Rental members fee	\$15.00/hour
Non-Member Conference Room Rental fee	\$30/hour
Designated REALTOR® Reinstatement Fee	\$250.00
Non-Compliance of new Member requirements	\$125.00
If Reinstatement between 30-364 Days	\$125.00
Annual Dues Late Fee	\$100.00
Unreported Change of Status (over 15 days)	\$50.00
Unreported New Licensees (over 15 days)	\$50.00 per month
Non-Dues Late Payments 30 days past due	\$15.00 per month

### Miscellaneous Fees

Returned check charge:	\$30.00
REACH Class for Non-Members	\$20.00
Online New Member Orientation	\$50.00

### Professional Standards: (unless superseded by another contractual agreement for services)

Arbitration Disputes Filing Fee	\$500.00
Appeals - Ethics Filing Fee	\$250.00
Procedural Review Filing Fee (Arbitration)	\$250.00
Administrative Processing Fee (Ethics Violation guilty party)	\$250.00
Copy charge per page payable in advance	\$1.00

### SentriLock Fees

Annual Lockbox Lease	\$15.00 per box
Card Reader	\$25.00
Misuse of Keys	Fines up to \$1,000

## ***Appendix 2***

### **OPERATING RESERVE POLICY**

#### **Purpose**

The purpose of the Operating Reserve Policy for Pen-Mar Realtors® (PEN-MAR) is to ensure the stability of the mission, programs, employment, and ongoing operations of the organization. The Operating Reserve is intended to provide an internal source of funds for situations such as a sudden increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses. The Reserve may also be used for one-time, nonrecurring expenses that will build long-term capacity, such as staff development, research and development, or investment in infrastructure. Operating Reserves are not intended to replace a permanent loss of funds or eliminate an ongoing budget gap. It is the intention of PEN-MAR for Operating Reserves to be used and replenished within a reasonably short period of time. The Operating Reserve Policy will be implemented in concert with the other governance and financial policies of PEN-MAR and is intended to support the goals and strategies contained in these related policies and in strategic and operational plans.

#### **Definitions and Goals**

The Operating Reserve Fund is defined as a designated fund set aside by action of the Board of Directors. The minimum amount to be designated as Operating Reserve will be established in an amount sufficient to maintain ongoing operations and programs for a set period of time, measured in months. The Operating Reserve serves a dynamic role and will be reviewed and adjusted in response to internal and external changes.

The target minimum Operating Reserve Fund is equal to 6 months of average operating costs. The calculation of average monthly operating costs includes all recurring, predictable expenses such as



salaries and benefits, occupancy, office, travel, program, and ongoing professional services. Depreciation, in-kind, and other non-cash expenses are not included in the calculation. The amount of the Operating Reserve Fund target minimum will be calculated each year after approval of the annual budget, reported to the Finance Committee and Board of Directors, and included in the regular financial reports.

### **Accounting for Reserves**

The Operating Reserve Fund will be recorded in the financial records as Board-Designated Operating Reserve. The Fund will be funded and available in cash or cash equivalent funds. Operating Reserves will be maintained in a segregated bank account or investment fund, in accordance with investment policies or will be commingled with the general cash and investment accounts of the organization.

### **Funding of Reserves**

The Operating Reserve Fund will be funded with surplus unrestricted operating funds. The Board of Directors may from time to time direct that a specific source of revenue be set aside for Operating Reserves. Examples may include one-time gifts or bequests, special grants, or special appeals.

### **Use of Reserves**

Use of the Operating Reserves requires three steps:

**1. Identification of appropriate use of reserve funds.**

The Association Executive and Finance Committee will identify the need for access to reserve funds and confirm that the use is consistent with the purpose of the reserves as described in this Policy. This step requires analysis of the reason for the shortfall, the availability of any other sources of funds before using reserves, and evaluation of the time period that the funds will be required and replenished.

**2. Authority to use operating reserves**

- The Association Executive will submit a request to use Operating Reserves to the Finance Committee. The request will include the analysis and determination of the use of funds and plans for replenishment. The organization's goal is to replenish the funds used within twelve months to restore the Operating Reserve Fund to the target minimum amount. If the use of Operating Reserves will take longer than 12 months to replenish, the request will be scrutinized more carefully. The Finance Committee will make a recommendation to the Board of Directors to request and authorize transfer from the fund.

**3. Reporting and monitoring.**

The Association Executive is responsible for ensuring that the Operating Reserve Fund is maintained and used only as described in this Policy. Upon approval for the use of Operating Reserve funds, the Association Executive will maintain records of the use of funds and plan for replenishment. He/she will provide regular reports to the Finance Committee and Board of Directors of progress to restore the Fund to the target minimum amount.

### **Relationship to Other Policies**

PEN-MAR shall maintain the following board approved policies, which may contain provisions that affect the creation, sufficiency, and management of the Operating Reserve Fund.

- Bylaws
- Policy & Procedure Manual
- Investment Policy

### **Review of Policy**

This Policy will be reviewed every other year, at minimum, by the Finance Committee, or sooner if warranted by internal or external events or changes. Changes to the Policy will be recommended by the Finance Committee to the Board of Directors.

**Appendix 3**

**Document and Record Retention Policy**

<b>I. Corporate/Organizational Records</b>		
Incorporation documents including articles of incorporation, bylaws amendments, and related documents.	Store in corporate record book.	<b>Permanent</b>
Tax-exemption documents including application for tax exemption (IRS Form 1023), IRS determination letter, and any additional related documents.	Store in corporate record book.	<b>Permanent</b>  Federal law requires copies be held at the organization's headquarters office. Records must be made available for public inspection upon request.
Board of Directors and Committee meeting documents, including agendas, minutes, and related documents.	Compile and file records annually. Store in corporate record book.	<b>Permanent</b>  Care should be taken to include only necessary information in these documents.
<b>II. Financial Records</b>		
Year-end Treasurer's financial report/statement.	Store in corporate record book.	<b>Permanent</b>
Treasurer's reports, periodic.	Compile and file records annually.	<b>Three Years</b>  Store with financial records. Destroy after three years.
Bank statements, canceled checks, check registers, investment statements, and related documents.	Compile and file records annually.	<b>Seven Years</b>  Store with financial records. Destroy after seven years.
Annual Returns (IRS Forms 990).	Federal law requires that the three most recent years returns be kept in the organization's headquarters office and be made available for public inspection upon request.	<b>Seven Years</b>  Store with financial records. Destroy after seven years.
<b>III. Professional Standards and Code of Ethics (See attached separate document or applicable agreement)</b>		
<b>IV. Membership Records</b>		
Membership application forms and code of ethics violations.	Store in secure file area on or off site.	<b>Three years</b>  Three years after membership lapses or since last ethics violation.

## **Pen-Mar Committee Manual**

### **Committee Structure, Rules, and Processes**

**Application Process:** “Call for Committees” will begin at the same time as the annual “Call for Directors”, no later than July 1<sup>st</sup> of each year. Members should submit a completed application and list in order of preference their top 3 choices for committee assignments.

Applications will be accepted and maintained at the association office throughout the year, even when a “Call for Committees” is not in progress. This will create a pool of candidates for future consideration, as well as allow committees to add members to their rosters as needed. The deadline for committee applications for the coming year shall be October 1st.

**Committee Selection Process:** In October, the incoming President and President-elect shall meet with the Association Executive to review applications. The President and President-elect shall assign committee positions, such as Chair and Vice Chair, where necessary.

**Term lengths:** Unless otherwise stated, all committee assignments shall be for a 12 month period, beginning on January 1<sup>st</sup> and ending on December 31<sup>st</sup>. It is recommended Budget and Finance Committee and Professional Standards Panelist members shall be for a 24 month commitment.

**Committee Leadership:** While not mandatory, it is recommended that each committee chair previously serve on the assigned committee for at least one year prior to their leadership role.

**Standing Committees:** Pennsylvania Legislative Committee, Maryland Legislative Committee, RPAC Fundraising Committee, Budget and Finance Committee, Bylaws and Policies Advisory Group, Community Service Committee, Education Committee, YPN Committee, Membership Committee, Professional Standards Panel, Affiliate Advisory Group.

**Staff Liaison:** Each committee, advisory group, or task force shall have an association staff member assigned as a liaison. The staff liaison shall be responsible for keeping of minutes, dissemination of materials/minutes/agendas, as well as sending out necessary calendar invites. Staff members shall set up remote meetings (when needed) and send to committee participants. The staff liaison shall be determined by the Association Executive. The committee leadership shall coordinate directly with their respective liaison.

**Frequency of Meetings:** Each committee shall have discretion over the number of meetings they hold and whether to postpone/cancel meetings. Committees may handle all committee business electronically, including conducting votes where necessary. It is recommended voting occur in a way it can easily be tracked and referenced later.

**Attendance Policies:** Each committee, advisory group, and task force shall have an attendance policy of 75%. If any committee member falls below this threshold the Board shall be notified and it shall be recommended that the committee member be removed from their assignment for the remainder of the year, to ensure the committee can maintain a quorum to conduct business. A replacement may be selected by the President and President-elect to finish the remainder of the departing committee member’s term.

**Confidentiality and Conflict of Interest Requirements:** Some committees, advisory groups, and task forces shall require members to sign a conflict of interest and confidentiality agreement.

**Committee List:**

**Legislative Committee (PA/MD)**

The primary responsibility of the Maryland and Pennsylvania Legislative Committees is to monitor, review, interview, and recommend political candidate endorsements, public policy positions, and legislative actions to Pen-Mar's Board of Directors.

Term Length: 12 Months

**RPAC Fundraising Committee**

The primary responsibility of the RPAC Fundraising Committee is to assist in fundraising activities, events, and initiatives to association members, to encourage investments into the REALTOR® Political Action Committee (RPAC).

Term Length: 12 Months

**Budget and Finance Committee**

The primary responsibility of the Budget and Finance Committee is to review Pen-Mar's finances, investments, and association budgets for the purpose of making recommendations to the Board of Directors.

Term Length: 24 Months

**Bylaws and Policies Advisory Group**

The primary responsibility of the Bylaws and Policies Advisory Group is to make recommendations to the Board of Directors for changes and updates to Pen-Mar's bylaws and Policies and Procedures Manual.

Term Length: 12 Months

**Community Service Committee**

The primary responsibility of the Community Service Committee is to identify and organize opportunities for Pen-Mar members to volunteer in the local community. This committee also oversees Pen-Mar's "sunshine" efforts to assist fellow association members in need.

Term Length: 12 Months

**Education Committee**

The primary responsibility of the Education Committee is to assist in planning Pen-Mar's educational offerings, courses, and trainings. This includes Continuing Education (CE), REALTOR® certifications and designations, and other learning opportunities for Pen-Mar members.

Term Length: 12 Months

**YPN Committee**

The primary responsibility of the Young Professionals Network (YPN) Committee is to provide networking and professional development opportunities to Pen-Mar members.

Term Length: 12 Months

**Membership Committee**

The primary responsibility of the Membership Committee is to oversee, plan, and coordinate membership events, including the Annual Membership Meeting.

Term Length: 12 Months

**Professional Standards Panel**

The primary responsibility of the Professional Standards Panel is to participate in ethics, grievance, and professional standards hearings. Pen-Mar participates in a "Statewide Professional Standards Cooperative" with the Pennsylvania Association of REALTORS®, who manage and enforce complaints made against association members in Pennsylvania and Maryland.

Term Length: 24 Months

**Affiliate Advisory Group**

The primary responsibility of the Affiliate Advisory Group is to make recommendations and provide feedback for Pen-Mar's affiliate outreach efforts and affiliate member benefits.

Term Length: 12 Months