

Harford County Association of REALTORS®
Board of Directors Policy 2008

Nominating Committee Policy:

Each year the immediate past president of the association will serve as Chairperson of the Committee (along with four (4) most recent past presidents). Two REALTORS® from the Association will also be chosen to serve on the Committee, which is approved by the Board of Directors. 5 of the 7 members must be present to hold a committee meeting.

REALTOR® of the Year Policy:

Once a REALTOR® of the Association has been named as the REALTOR® of the Year, his/her name can not be submitted at a future time. Incumbent association president can not be named as REALTOR® of the Year. Nominations come from all REALTORS® of the Association. The Committee can select the individual for nomination. Committee makes the selection and chairperson serves as MC at the Awards Luncheon held in June or designated by the Board of Directors.

Donations Policy:

Donations shall not be made to charitable or educational organizations, unless approved by the Board of Directors. Donations will not be made to schools for proms or other events.

Deceased Past President Member Policy:

A \$100.00 donation to the Scholarship Fund of the Association as a Memorial shall be made in memory of a deceased past president of HCAR® member's name and letter mailed to the deceases' family. A sympathy card shall suffice in all other instances.

Officers and Directors Job Description Policy:

Job descriptions and an orientation manual shall be furnished annually to elected officers and directors of the Board of Directors.

Past President:

Honorary active status shall be given to past presidents of the Harford County Association of REALTORS®, Inc., who have reached the age of 70+ years, or have been a member in good standing with HCAR® for 40 or more consecutive years. These members do not pay local annual dues but do receive notices of the annual meeting and other information on events held by the association.

Inclement Weather Policy:

If Harford County Public Schools are CLOSED then all meetings and events will be canceled and the association office will be CLOSED (except any designation classes which will run on time)

If Harford County Public Schools are DELAYED then all morning meetings and events will be canceled and the association office opening will be DELAYED (except any designation classes which will run on time). All afternoon meetings and events would run on time. We will have a message system advising otherwise at 410-569-0750. Mark Wilson, E.V.P. may be contacted at 410-382-3759 (Cell) if needed. Everyone should exercise common sense and not risk their safety or others unnecessarily.

Use of the term REALTOR®:

Only members of the National Association of REALTORS® who are licensed in real estate brokerage services as a salesperson, associate broker or broker, may use the mark, logo or term "REALTOR®". HCAR will permit new members to use the mark "REALTOR®", who have completed a proper membership application and fully paid membership dues to HCAR®. Attendance at Orientation within 90 days of the application is mandatory. REALTOR members must complete the required NAR® Code of Ethics class every four years. (01/01/04 - 12/31/09)

Advertising:

HCAR will not advertise, or otherwise promote individual(s), individual(s) business(s), their business products, services or events. This is not a member benefit.

NAR Code of Ethics and Arbitration Manual:

1. The Chairperson of the Professional Standards Committee shall choose the Hearing Panel according to the NAR guidelines.
2. In the event the respondent fails or refuses to sign the Response and Agreement Form (PART THIRTEEN, Form #A-4), fails or refuses to make the required deposit, or fails or refuses to take part in the arbitration hearing, the arbitration hearing may be scheduled and conducted in the absence of the respondent. Page 140
3. An Administration Fee of \$500.00 for Ethics complaints will be assessed and charged to the Respondent if found in violation of a Code of Ethics.
4. Publishing the names of Respondents found in violation of an Ethics complaint shall not be published by HCAR®. The member's permanent file will be made available. #45
5. A Suspended member for an Ethics violation would be assessed a reinstatement fee of \$150.00 if the member satisfied the cause for suspension and requested membership to be reinstated in good standing.
6. There will be a standing committee, known as the Grievance Committee, of at least seven Board Members in good standing, of whom at least a majority shall be REALTORS®. The members of the committee shall be appointed by the President, subject to confirmation by the Board of Directors, for staggered three (3) year terms. Grievance Committee members must complete the required Professional Standards training within the NAR guidelines. The chairperson and Vice Chairperson are selected by the President.
7. The Professional Standards Committee shall have a minimum number of seven members. The Committee will have seven to ten members appointed by the President and approved by the Board of Directors. Professional Standards Committee members must complete the required Professional Standards training within the NAR guidelines. The chairperson and Vice Chairperson are selected by the President.
8. The time period for a reply from a Respondent is 15 calendar days.
9. An Administration Fee of \$250.00 for an Appeal to the Board of Directors would be assessed and refunded if the appeal is favorable.
10. Mediation for Ethics complaints will not be offered by the Association.
11. Mediation will be offered to both parties for Arbitration complaints AFTER the Grievance Committee reviews the complaint.
12. The Association Legal counsel will not be required during a Grievance Committee meeting.
13. During a Hearing the Parties may not tape record the proceeding.
14. A response will be solicited at the Grievance Committee for an Ethics Hearing request.
15. HCAR has adopted Sections 20 [f-q].
16. The complaint, and response, if any, shall be provided to Hearing Panel members prior to the hearing. Such time period shall be seven days (as determined by the Board of Directors) and shall be adhered to for all hearings. (Amended 4/91)
17. Copies of the decisions disseminated pursuant to these procedures shall be complete and unedited; however, the names of the Parties and their brokerage shall be removed, unless a Party has violated the Code of Ethics within the past three years.
18. Video conferencing shall not be permitted.

Travel and Expense Reimbursement:

General Policy:

General policy will apply to all Officers, Directors and staff of the Association who seek reimbursement for travel and other expenses incurred on behalf of the Association. The Omnibus Budget Reconciliation Act of 1993 contained specific provisions to regulate the payment of travel expenses to Association Officers and Directors so as to avoid abuse of the system. A travel and expense reimbursement policy is required and must be adhered to and certain limitations are provided in connection with per diem allowances and spouse travel. The IRS allows reimbursement for travel expenses that are ordinary, necessary and directly related to the purpose of the Association. Remember that at some time you may be asked by the membership to justify your travel and expense reimbursement costs.

Expense Reimbursement Forms:

All travel and expense reimbursement forms or receipts are to be completed and turned in to the Association within 30 days of the actual event. Failure to comply with this policy will mean that authorization of payment will be deferred to the Executive Committee and that the amount of the reimbursement may be treated as income with the recipient to receive a 1099 form at year-end.

Association Executive Credit Cards:

AE shall maintain a credit card in the name of the association. On no account may Association credit cards be used for personal charges.

Spouse Travel: (Effective October 1, 2006)

The Omnibus Budget Reconciliation Act of 1993 states: that all reimbursement for spouse travel *may* be treated as income to either the employee or volunteer Officer of the Association. If required, employees *would* have the amount included on their W2 forms at year-end and Officers would be issued a 1099 form.

Authorization of Travel/Expense Claims:

The Treasurer will be responsible for authorizing payment of all claims for expense reimbursement from Officers and Directors of the Association. This authority may be delegated to the Executive Vice President who will refer all questions or matters requiring interpretation to the Treasurer for a final decision. In the event that the Treasurer is uncomfortable with authorizing any claim, he or she will refer the claim to the Executive Committee for consideration at their next meeting.

The Executive Vice President will be responsible for authorizing payment of all claims for expense reimbursement from staff of the Association with the exception of his or her own claims which must be authorized by the President, President Elect, Vice President, or Treasurer.

Supporting documentation and/or receipts are required for all expenses of \$25.00 or more.

Form of Travel:

Officers and staff of the Association are required to use the most cost effective, but reasonable form of travel. This means that, when traveling by air, reservations must be made as far in advance as is reasonable, for coach class travel and to take advantage of any discounts that might be offered. Travel by air within the state requires the approval of either the President or Executive Vice President, and must be evaluated against the cost of traveling by car. In the same way the cost of travel by car should not exceed the cost of travel by air when attending state or national meetings.

Travel by Car and Mileage Reimbursement:

Officers and staff of the Association shall be reimbursed for use of their private automobile at current IRS rates

Per Diem Rate:

The per diem rate will be established annually by the Executive Committee to cover travel within the state and to NAR meetings. The per diem rate is to cover the cost of meals, personal telephone calls and local taxi fares to meetings and restaurants. Tips are to be included. Hotel accommodation, air travel, taxi fares to and from the airport, mileage, parking, tolls and related tips are not included. Movies are not reimbursable. Guest expenses must also be shown separately and supported by details showing the names of those present. The per diem rate has been established up to \$50.00 above the IRS guide lines for Leadership and staff.

Rental Cars:

Rental cars are only reimbursable when other forms of transportation are unobtainable or when the use of a rental car will lower the cost of transportation.

Accommodation:

The Association will reimburse approved Officers, (President and President Elect), and Association Executive, who are requested to attend NAR or state published meetings or conventions, reasonable costs for accommodations.

Non-Reimbursable Items:

These items are generally excluded unless authorized by the Leadership Team:

Personal entertainment (i.e.: movies, health clubs, airline headphones, etc.)

Purchase of books and magazines

Barber, hair stylist or beautician fees

Baby-sitting

Kennel

Laundry and dry cleaning

Mini-bars and in-room safes

Phone calls above the 15-minute personal call allowance in any one day

President and President Elect

The Harford County Association of REALTORS® shall reimburse the President and President Elect in accordance with General Policy and the line item approved in the budget for the year in question.

Banquet and Special Expenses:

The President and President Elect may be reimbursed for costs in excess of the approved per diem rate when required to purchase banquet or function tickets at meetings of NAR® and MAR®, provided they do not exceed the respective line item approved in the budget.

Hospitality and Guest Entertainment:

Entertainment expenditures draw the greatest scrutiny by the IRS and require a greater degree of discretion. The IRS requires a receipt for the expenditure, a list of individuals in attendance showing their titles and the organizations they represent, the purpose and the date.

Hosting:

The Association will reimburse the actual costs incurred in those situations where it is deemed appropriate for the President or President Elect to “pick up the check” for several individuals at a meal. When this occurs the IRS requires a receipt for the expenditure and explanation of the purpose, plus a list of the individuals concerned, their titles and the location of the event.

Miscellaneous Expenses:

The President and President Elect may be reimbursed for miscellaneous expenses such as attending political fund-raisers, functions of associated industries, the purchase of gifts for volunteers or staff and other expenses which are considered both reasonable and prudent.

Spouse Travel: (Effective October 1, 2006)

Subject to budget limitations, the President and President Elect may be reimbursed for spouse's air travel costs only, when their spouse accompanies them to a meeting outside of the State. Such reimbursement will be in addition to the approved reimbursement for the President and President Elect.

Immediate Past Presidents

The *Immediate* Past President may be reimbursed for the cost of registration at the annual local, state and national conventions.

Board of Directors

Directors, including Vice President, Secretary/Treasurer; may be reimbursed for the cost of registration at the annual local, state and national conventions.

Executive Vice President

The Harford County Association of REALTORS® shall reimburse the Executive Vice President in accordance with General Policy and the line item approved in the budget for the year in question. The Executive Vice President shall acquire a credit card and is responsible for properly accounting for all charges made. Expense report forms and copies of all credit card slips are to be turned in within 30 days and in accordance with General Policy.

Banquet and Special Expenses:

The Executive Vice President may be reimbursed for costs in excess of the approved per diem rate when required to purchase banquet or function tickets at meetings of the NATIONAL ASSOCIATION OF REALTORS®, or Maryland Association of REALTORS®.

Hosting:

The Association will reimburse the actual costs incurred in those situations where it is deemed appropriate for the Executive Vice President to “pick up the check” for several individuals at a meal. When this occurs the IRS requires a receipt for the expenditure and explanation of the purpose, plus a list of the individuals concerned, their titles and the location of the event.

Miscellaneous Expenses:

The Executive Vice President may be reimbursed for miscellaneous expenses such as attending political fund-raisers, functions of associated industries and other expenses that are considered both reasonable and prudent.

Spouse Travel: (Effective October 1, 2006)

Subject to budget limitations, the Executive Vice President may be reimbursed for spouse's air travel costs only, when his or her spouse accompanies him or her to a meeting outside of the State. Such reimbursement will be in addition to approved expenditures for the Executive Vice President.

Consent Agenda:

The chairman, in consultation with the board of directors, may place items on the consent agenda, for example committee, chapter and staff reports. This requires that all reports be submitted in writing 10-days prior to the official board meeting.

By using a consent agenda, the board agrees to the consideration of these items as a group under one motion.

Consent items are those which usually do not require discussion or explanation prior to board action, are non-controversial and/or similar in content, or are those items which have already been discussed and/or explained and do not require further discussion or explanation. Such agenda items might include ministerial tasks such as, but not limited to, the approval of the agenda, approval of previous minutes, approval of bills, approval of reports, etc. These items might also include similar groups of decisions such as, but not limited to, approval of staff contracts, approval of minutes, finances and reports.

An individual director for consideration may remove items from the consent agenda by a timely request of the chairman. A motion to approve the consent agenda requires unanimous approval. A request is timely if made prior to the vote on the consent agenda. The request does not require a second or a vote by the board. An item removed from the consent agenda will then be discussed and acted on separately immediately following the consideration of the consent agenda.

INVESTMENT POLICY STATEMENT

This statement of investment policy has been adopted by the Board of Directors of the Harford County Association of REALTORS® (HCAR®) to provide guidelines for the investment of funds held by the association.

For the purposes of managing investment risk and to optimize investment returns within acceptable risk parameters, the funds held will be divided into separate investment pools. The process for determining the dollar amount in each pool is set forth in the "Procedures" section of this document. The investment pools shall be called the "**Operating Fund**", the "**Operating Reserves**", and the "**Long-Term Fund**".

Procedures

1. The following procedures will be followed to ensure the investment policy statement is consistent with the current mission of HCAR® and accurately reflects the current financial condition:
 - A.) This investment policy shall be reviewed annually by the Finance Committee for any necessary revisions.
 - B.) Recommendations for any revisions or modifications will be made by the Finance Committee to the Board of Directors for approval.

2. The following procedures will be used to determine the dollar amounts to be placed in the Operating Fund, Operating Reserves and the Long-Term Fund. Dollars not specifically designated will be restricted to investments designated in the "Investment Guidelines" for the Operating Fund.
 - A.) The target amount for the Operating Reserves is designated at an amount equal to six months of the Operating Budget. Any funds in excess of that amount may be moved to another reserve fund as designated by the Board of Directors.
 - B.) The Finance Committee will recommend to the Board of Directors via the annual budget process the dollar amounts to be placed in the Short-Term and Long-Term Funds.
 - C.) The Board of Directors will have final approval of the dollar amounts placed in specific funds.

OPERATING FUND

Purpose

The purpose of the Operating Fund is to provide sufficient cash to meet the financial obligations in a timely manner.

Investment Objectives

The investment objectives of the Operating Fund are:

- 1.) Preservation of capital;
- 2.) Liquidity; and
- 3.) To optimize the investment return within the constraints of the policy.

Investment Guidelines

ALLOWABLE INVESTMENTS

The Executive Vice President shall be authorized to invest the Operating Fund as follows:

- 1.) Corporate Checking account in U.S. federally insured banks and savings and loans not to exceed \$100,000 per institution;
- 2.) Merchant Checking account in U.S. federally insured banks and savings and loans not to exceed \$100,000 per institution;
- 3.) Checking, Savings or Money Market account for the Scholarship/Charity Committee Fund.
- 4.) The collective Operating Funds in all accounts shall not exceed \$250,000.
- 5.) The signatories for each Operating reserve account shall be the Executive Vice President and the Treasurer.

OPERATING RESERVES

Purpose

The purpose of the Operating Reserves is to provide approximately six months of operating reserves to meet expenses in the event of a shortfall.

Investment Objectives

The investment objectives of the Operating Reserves are:

- 1.) Preservation of capital;
- 2.) Liquidity; and
- 3.) To optimize the investment return within the constraints of the policy.

Investment Guidelines

ALLOWABLE INVESTMENTS

The President and President-Elect shall be authorized to invest the Operating Reserves in Short-Term funds as follows:

- 1.) Money Market funds that invest in government-backed securities not to exceed \$100,000 per institution;
- 2.) U.S. Federally-insured certificates of deposit not to exceed \$100,000 per institution;
- 3.) Passbook Savings accounts not to exceed \$100,000 per institution;
- 4.) The total collective Short-Term Funds in all accounts shall not exceed \$250,000.
- 5.) The signatories for each Short-Term Fund account shall be the President and President-Elect.

MATURITY

The Operating Reserves Fund shall have a weighted average maturity of five years or less.

LONG-TERM FUNDS

Purpose

The purpose of the Long Term Fund is as follows:

- Provide funds for the investments in real property.
- Provide funds for HCAR® charities and foundations.
- Provides funds for local political lobbyists.

Investment Objectives

The investment objectives of the Long-Term Fund are:

- 1.) Preservation of capital;
- 2.) To optimize the investment return within the constraints of the policy

Investment Guidelines

ALLOWABLE INVESTMENTS

The President and Executive Vice President shall be authorized to invest the Long-Term Fund as follows:

- 1.) Checking accounts in U.S. federally insured banks and savings and loans not to exceed federally insured amounts;
- 2.) Money market funds that invest in U.S. Government backed securities;
- 3.) Federally-insured certificates of deposit not to exceed \$100,000 per institution;
- 4.) Direct obligations of the U.S. Government, its agencies and instrumentalities.
- 5.) The signatories for each Long-Term Fund account shall be the President and Executive Vice President.

MATURITY

The Long-Term Fund shall have a weighted average maturity of greater than five years.

Legal Counsel

The Board of Directors will annually designate legal counsel to serve the needs of Harford County Association of REALTORS®, Inc.

Legal counsel may be requested to attend board meetings by request of a majority of the board members or at the mutual agreement of the board president and the executive vice president.

Only the board president, the executive vice president or their designee may contact legal counsel on behalf of the board. Costs billed to Harford County Association of REALTORS®, Inc. and associated with individual board members contacting legal counsel, auditors or other professional consultants without specific authority from the board of directors, will be billed to the board member making the unauthorized contact.

Individual Board Member Duties

DUTIES OF INDIVIDUAL BOARD MEMBERS

The authority of individual Board members is limited to participating in actions taken by the Board as a whole when legally in session. Board members shall not assume responsibilities of administrators or other staff members. An individual board member may not take any action upon themselves; at their own expense or otherwise, enter into any contract or agreement, written or oral, on behalf of or in the interest of the association without the prior approval of the Board.

The Board or staff shall not be bound in any way by any action taken or statement made by any individual Board member except when such statements or action is pursuant to specific instructions and official action taken by the Board.

Each Board member shall review the agenda and any materials distributed prior to the meeting and be prepared to participate in the discussion and decision-making for each agenda item.

Each Board member is obligated to attend regular Board meetings. Whenever possible, each Board member shall give advance notice to the Executive Vice President of his/her inability to attend a Board meeting. A majority of the Board may excuse a director's absence from a meeting if requested to do so. The Board may declare a Board member's position vacant after three unexcused absences from regular Board meetings.

Privacy & Security Policy

We recognize the importance of protecting the personal information provided by our membership in their application and at the NRDS (National REALTOR Database System) web site. We maintain the following privacy policy:

- 1) The association gathers the member's contact information, office information and other data from surveys, applications and general demographic information.
- 2) The association uses this information to notify members of upcoming events, products and services, Calls to Action, and display on the association web site, etc.
- 3) The association sends bulk emails to the members periodically. All recipient email addresses shall be "Blind Carbon Copy" and not available to any recipient. All "Hot Property Blasts" will also come from a special email address - HotPropertyBlast@HarfordREALTORS.com .
- 4) The association will not share, sell or otherwise provide our member's contact information, including email addresses to third parties, except to our active members of the association. The only contact information made available to members of the association shall be the member's **NAME, COMPANY, COMPANY ADDRESS, COMPANY PHONE NUMBER, and MEMBER EMAIL ADDRESS.**
- 5) Credit information used to make payments by credit card or electronic check for products, dues or other services, via the REALTOR® Electronic Commerce Network (E-Commerce Network) will only be used to process the transactions requested. This information will be provided to and maintained by reputable credit reporting databases, but will never be sold, shared or provided to nonmembers or other third parties.
- 6) Credit information used to make payments by credit card or electronic check for products, dues, or other services, via telephone, email, fax, U.S. Mail, or other means than the REALTOR® E-Commerce Network will only be used to process the transaction requested. This information will not be retained by the association any longer than is required to process and verify the credit payment. Upon verification of the credit payment, the association will destroy all credit payment information provided and will never be sold, shared or provided to members, nonmembers or other third parties.
- 7) The association utilizes a strict Opt-Out Policy for sending online notifications other than Hot Property Blasts. Members may adjust their Communication Preferences by logging in, reviewing their registration at REALTOR.org, and changing their preferences. Personal contact information may be adjusted directly in the NRDS system or by contacting the association.
- 8) The association has advertising agreements between the association and other parties that provide links to other party's web sites. The association does not control those web sites and will not be responsible for the activities of other web sites or the member's use of those web sites.

Director and Officer Fidelity

A Director or Officer of the Harford County Association of REALTORS® shall not be permitted to serve simultaneously on any other local competing REALTOR® Board of Directors as an Officer or Director.

Whistleblower Policy

Harford County Association of REALTORS® Code of Ethics and Conduct requires directors, officers and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of the Organization, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations.

Reporting Responsibility

It is the responsibility of all directors, officers and employees to comply with the Code and to report violations or suspected violations in accordance with this Whistleblower Policy.

Retaliation

No director, officer or employee who in good faith reports a violation of the Code shall suffer harassment, retaliation or adverse employment consequence. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within the Organization prior to seeking resolution outside the Organization.

Reporting Violations

The Code addresses the Organization's open door policy and suggests that employees share their questions, concerns, suggestions or complaints with someone who can address them properly. In most cases, an employee's supervisor is in the best position to address an area of concern. However, if you are not comfortable speaking with your supervisor or you are not satisfied with your supervisor's response, you are encouraged to speak with the current President or a Past President of the association. Supervisors and managers are required to report suspected violations of the Code of Conduct to the Organization's Compliance Officer, who has specific and exclusive responsibility to investigate all reported violations. For suspected fraud, or when you are not satisfied or uncomfortable with following the Organization's open door policy, individuals should contact the Organization's Attorney.

Compliance Officer

Organization's Compliance Officer or Corporate Attorney responsible for investigating and resolving all reported complaints and allegations concerning violations of the Code and, at his discretion, shall advise the Executive Vice President and/or the Board of Directors. The Compliance Officer has direct access to the audit committee of the board of directors and is required to report to the audit committee at least annually on compliance activity. The Organization's Compliance Officer is the Organization's Corporate Attorney.

Accounting and Auditing Matters

The executive committee of the board of directors shall address all reported concerns or complaints regarding corporate accounting practices, internal controls or auditing. The

Compliance Officer shall immediately notify the executive committee of any such complaint and work with the committee until the matter is resolved.

Acting in Good Faith

Anyone filing a complaint concerning a violation or suspected violation of the Code must be

acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the Code. Any allegations that prove not to be substantiated and which

prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

Confidentiality

Violations or suspected violations may be submitted on a confidential basis by the complainant

or may be submitted anonymously. Reports of violations or suspected violations will be kept

confidential to the extent possible, consistent with the need to conduct an adequate investigation.

Handling of Reported Violations

The Compliance Officer will notify the sender and acknowledge receipt of the reported violation

or suspected violation within five business days. All reports will be promptly investigated and

appropriate corrective action will be taken if warranted by the investigation.

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