

Northern Solano County Association of REALTORS®

POLICY MANUAL

Adopted by Board of Directors

November 19, 2008

(Amended October 18, 2017)

Policy Manual

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MISSION STATEMENT

The mission of the Northern Solano County Association of REALTORS® is to help our members be successful professionals by promoting high ethical standards, continuing education, protections of real property rights and supporting our communities.

ANTITRUST COMPLIANCE

1. The Northern Solano County Association of REALTORS® is committed to abiding by all applicable antitrust laws. These policies are implemented as part of an antitrust prevention program to avoid even borderline activities. Officers, Directors, Committee Chairs, Committee Members and Staff shall be required to attend mandatory Antitrust training annually.
2. Officers, Directors, Committee Chairs, Committee Members and Staff shall not participate in any discussion with any person concerning the commission rates charged by any firm or business practices of any real estate firm in our community.
3. Officers, Directors, Committee Chairs, Committee Members and Staff shall not make any reference implying the industry has agreed to set a “prevailing” commission level in the community, the “going rate”, or any other words or phrases that suggest that commission rates are uniform or standardized within our market area by agreement.
4. Officers, Directors, Committee Chairs, Committee Members and Staff shall never discuss or use the Association of REALTORS®, MLS meetings, or other broker meetings or real estate professional gatherings to discuss “dealing with” or “boycotting” alternative service brokers or any real estate service provider.

DIVERSITY

In principle and in practice, association values and seeks diverse and inclusive participation within the field of real estate. NSCAR promotes involvement and access to leadership opportunity to all members regardless of race, ethnicity, gender, religion, age, sexual orientation, nationality, or disability. Association will continue to provide leadership and commit time and resources to advance this objective. Association will develop strategies and initiatives to promote and welcome diversity within the board, staff, and membership of association and provide tools for its members’ organizations regarding diversity.

LOGO USAGE

The logo, and any marks associated with the Association, are the property of the association and are protected by state and federal laws. Use of the logo is contingent upon your agreeing to the following licensing provisions:

1. The logo is the property of the Association;
2. Members may not use the logo to state or imply that the Association has endorsed their company or their company's products or services;
3. Members agree not to place the logo on their products;
4. Members will indemnify and hold the Association harmless for any damages, including attorney's fees, incurred by the member as a result of use of the logo;
5. Members agree to cease using the Association's logo upon request of the Board of Directors; and

6. Members agree to pay the Association all costs and attorney's fees incurred by the Association in any action against a member to enforce the terms of the license agreement.

MEMBERSHIP POLICY

1. All active members of the Northern Solano County Association of REALTORS® shall have access to and use of the services of the Association as per the Bylaws. Affiliate and Associate members shall be entitled to member services offered through the Association as per the Bylaws.

UNLAWFUL HARASSMENT

NSCAR is committed to providing a work environment free of unlawful harassment. NSCAR policy prohibits sexual harassment and harassment based on pregnancy, childbirth or related medical conditions, race, religious creed, color, national origin or ancestry, physical or mental disability, medical condition, marital status, age, sexual orientation, or any other basis protected by federal, state, or local law or ordinance or regulation. All such harassment is unlawful. NSCAR's anti-harassment policy applies to all persons involved in the operation of the NSCAR and prohibits unlawful harassment by any employee of NSCAR, including supervisors and coworkers. It also prohibits unlawful harassment based on the perception that anyone has any of those characteristics, or is associated with a person who has or is perceived as having any of those characteristics.

Prohibited unlawful harassment includes, but is not limited to, the following behavior:

- Verbal conduct such as epithets, slander, gossip, derogatory jokes or comments, slurs or unwanted sexual advances, invitations, or comments;
- Visual displays such as derogatory and/or sexually-oriented posters, photography, cartoons, drawings, or gestures;
- Physical conduct including assault, unwanted touching, intentionally blocking normal movement or interfering with work because of sex, race, or any other protected basis;
- Threats and demands to submit to sexual requests as a condition of continued employment, or to avoid some other loss, and offers of employment benefits in return for sexual favors; and
- Retaliation for reporting or threatening to report harassment.

If you believe that you have been unlawfully harassed, submit a written complaint to your Executive Officer, or the president of NSCAR as soon as possible after the incident. Your complaint should include details of the incident or incidents, names of the individuals involved, and names of any witnesses. NSCAR will immediately undertake an effective, thorough, objective and confidential investigation of the harassment allegations.

If NSCAR determines that unlawful harassment has occurred, effective remedial action will be taken in accordance with the circumstances involved. Any employee determined by NSCAR to be responsible for unlawful harassment will be subject to appropriate disciplinary action, up to, and including termination. A company representative will advise all parties concerned of the results of the investigation. NSCAR will not retaliate against you for filing a complaint and will not tolerate or permit retaliation by employees or any persons involved in the operation of NSCAR. NSCAR encourages all employees to report any incidents of harassment forbidden by this policy immediately so that complaints can be quickly and fairly resolved. You also should be aware that the Federal Equal Employment Opportunity Commission and the

California Department of Fair Employment and Housing investigate and prosecute complaints of prohibited harassment in employment. If you think you have been harassed or that you have been retaliated against for resisting or complaining, you may file a complaint with the appropriate agency. The nearest office is listed in the telephone book.

WHISTLEBLOWER CLAUSE

Association prides itself on its adherence to federal, state, and local laws and/or regulations, including business ethics policies. As such, even though it is not obligated to do so, the Association has decided to voluntarily adopt a whistleblower protection policy. Pursuant to this policy, any employee who becomes aware of any violation of federal, state, or local law or regulation, including any financial wrongdoing, should immediately report the violation to the Executive Officer to allow the organization to investigate and, if applicable, correct the situation or condition.

If the Executive Officer is involved or is believed to be involved in the matter being reported, employees may, in the alternative, make a report to the Association's legal counsel. The Association will conduct an investigation and take appropriate action within a reasonable period of time. Such complaints will be held in confidence to the extent the needs of the investigation permit.

"Financial wrongdoing" may include, but is not limited to:

- Questionable accounting practices;
- Fraud or deliberate error in financial statements or recordkeeping;
- Deficiencies of internal accounting controls;
- Misrepresentations to company officers or the accounting department (including deviation from full reporting of financial conditions).

If any employee reports in good faith what the employee believes to be a violation of the law and/or financial wrongdoing to the Association, its legal counsel, or to a federal, state, or local agency or assists in an investigation concerning financial wrongdoing, it is the Association's policy that there will be no retaliation taken against the employee.

Employees are reminded of the importance of keeping financial matters confidential. Employees with questions concerning the confidentiality or appropriateness of disclosure of particular information should contact the Executive Officer.

Governance Policies

APPARENT AUTHORITY

Public Statements

This policy statement provides guidance concerning who is authorized to make public statements on behalf of or as a representative of the association and the manner in which such public statements should be handled. It also provides guidance as to the distribution of documents or other information from the association by the board.

It shall be the policy of the association any communications on behalf of the association shall be official, at the direction of the President, Board or Staff. No statements shall be made, either verbal or written that conflict with the position or policy of the association. Leadership should understand that by virtue of their position, that any statements may be perceived as official and made on behalf of the organization. To control official communications, stationary and business cards shall be for the use of the elected President and Staff *only*. Members of the board or committees may not use stationary. Staff will prepare letters sent on behalf of the organization with a copy remaining in the office. Exceptions may be made to the policy so long as the purpose of the letter is made known and approved by the board in advance; if the exception is approved, a copy of the outgoing letter shall be provided to the Executive Officer within 24 hours of dissemination, for permanent file retention.

Badges

Name badges will be given to each Officer, Director and Staff person.

BOARD MEMBER ORIENTATION

Officers, Directors and Committee Chairs ~~shall~~ cannot be seated until each attends attend an the mandatory (Rev 3/17/10) Orientation meeting at the beginning of each year. Antitrust, Confidentiality and Conflict of Interests statements will be signed and held on record at the Association office.

CONFIDENTIALITY

Directors are expected to maintain **confidentiality** of sensitive information.

When issues are under discussion at the Board of Directors, directors are expected to express themselves and argue points of view. It is healthy to have disagreement but to be disagreeable benefits no cause.

Once a decision is reached, it is the decision of the Board and all directors are expected to subsequently support it and explain it as necessary to other members. If a director takes serious issue with a matter to be voted on by the Board, the director may ask to have a negative vote recorded by name in the minutes.

Each year members of the Board of Directors will sign a confidentiality agreement that will be kept on file at the Association office.

CONFLICT OF INTEREST

Elected leaders will be responsible for recommending or deciding on association policy. This imposes a fiduciary duty on them to act in the best interests of the association and avoid any real or perceived conflicts of interest. To act in the best interests of the association means that leaders have a duty of loyalty and care to the association and could be liable for any damages to the association if that duty is breached. It also imposes on them a duty to protect confidential information obtained while serving the association. The duty of care requires that one act reasonably and without negligence or fraud. Negligence may arise when a member inadvertently discloses confidential information. If the disclosure adversely impacts an individual, that person could file a claim alleging defamation. This area of legal risk often arises in the employment context or as an aftermath of a professional standards hearing. There is also a duty to avoid conflicts of interest. Conflicts arise when individuals participate in the deliberation or resolution of issues whose outcome could result in personal gain for them. Robert's Rules of Order states, "no member shall vote on a question in which he has a direct personal or pecuniary interest not common to other members of the organization." For example, if a motion proposes that the association enter into a contract with a company in which some members are officers and from which they'll derive personal profit, the members should disclose their interest, recuse themselves from the deliberations, and abstain from voting on the motion.

CONSENT AGENDA

The President, in consultation with the Executive Committee, may place items on the consent agenda, for example committee, chapter and staff reports. This requires that all reports be submitted in writing 7-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 bills, approval of reports, etc. These items might also include similar groups of decisions such as, but not limited to, approval of staff contracts, and audited financial reports.

An individual director for consideration may remove items from the consent agenda by a timely request of the chairman. 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.

EXECUTIVE OFFICER PERFORMANCE EVALUATION

The Executive Committee shall review the performance of the Executive Officer and negotiate the terms of the Executive Officer's contract. The Executive Committee will handle all disciplinary issues with guidance from the Association's legal counsel.

MEETING MINUTES – The previous twelve months minutes of the Board of Director meetings will be available for review by NSCAR Designated REALTOR® and REALTOR® members during normal association office hours.

Accounting Policies

ANNUAL DUES (Rev. October 18, 2017)

The annual local dues for Northern Solano County Association of REALTORS® effective January 1, 2018 is \$360 per year.

Annual dues and assessments are payable on January 1 and late after January 31. Members that have not paid by January 31 will be suspended from membership until dues are paid. Members who pay after February 28 1 (revised Oct. 19, 2016) will be assessed a late fee of \$50.00.

Designated REALTORS® will be assessed local dues of \$360 for each licensed non-member in their office. This assessment is due and payable on January 1 and late after January 31. Designated REALTORS® with unpaid assessments after January 31 will be subject to suspension of their entire office until paid.

Membership dues are prorated monthly for new members only. Renewing members must pay the full year dues regardless of when they decide to pay their dues for the respective billing year. If there has been a one year lapse in membership, the member shall be charged based on the prorated dues amount for that month.

APPLICATION FEES (Rev. June 2012)

The application fee for membership in Northern Solano County Association of REALTORS® is \$300.

Application fee for members inactive with the Association for 12 to 24 months will incur a re-application fee of \$100. Member who has been inactive over 24 to 36 months will incur a re-application fee of \$200. Member who has been inactive with the Association for over 36 months will incur a re-application fee of \$300.

Members transferring from another association in good standing will pay application fee of \$100.

BANK ACCOUNTS

It is the policy of the Association to have a balance in each banking institution equal to \$10,000 less than the amount currently insured by the FDIC.

Primary Checking Account:

The primary checking account for the Association will have five signatories on file with the bank. The signatories to be the President, President-Elect, Treasurer, Past President and Executive Officer. All checks issued require two signatures.

CDs and Money Market Accounts:

There will be at least three signers on the signature card for all CD and money market accounts with the requirement there be two signers to withdraw funds. Signatories to be the Executive Officer, Treasurer and the President and/or President-Elect.

CREDIT CARDS

The Executive Officer shall have a corporate credit card for association expenses only. Staff, at the discretion of the Executive Officer, may be issued a debit card for Association expenses.

Any credit card obtained by association for business use by an employee is for association business use only. Cardholders may not, under any circumstance, use the credit card for personal purchases nor for guaranteeing any type of personal reservations (hotel, rental cars, etc.) nor for any other non-assoc. business use.

CASH RESERVES

1. The Board of Directors shall create cash reserves to protect the membership during uncertain economic times, and to further enhance reserves for future expansion to meet growth needs. (Feb 94)
2. Year-end reserves are to be budgeted, and targeted to be, ~~110%~~ a minimum of 9 months of the next fiscal year's budgeted operating expenses, ~~plus/minus 5%~~. (Revised October 20, 2015)
 - Operating expenses include all operating expenses and income taxes, and non-building loan repayments (principle or interest).
 - Reserves include all CD's, Checking and Savings Accounts and Lines of Credit (except those accounts earmarked for specific items; e.g., Building Fund).

DUES REFUNDS

1. There will be no refunds of CAR or NAR dues or fees. Refunds of NSCAR dues or fees will be at the discretion of the Executive Officer.
2. All requests for refunds must be submitted in writing to the Executive Officer.

RETURNED CHECKS

1. If the bank returns a check, there will be a charge, regardless of the amount of the check. The signatory will not be allowed to pay via check for 6 months. If, after that time, a second check is returned, the signatory will not be allowed to pay by check for 1 year.
2. If a letter is presented from the bank stating the returned check was their error, fee will be waived.
3. Returned check fee(s) may be waived upon approval of the Executive Officer.

DELINQUENT OFFICE ACCOUNTS

1. Any office account that is sixty days past due will be placed on a CASH ONLY basis until the account has been brought current.
2. Any accounts delinquent over 60 days are subject to actions by the Board of Directors as set forth in the Bylaws.
 - All Accounts will be due on the 25th of each month.
 - There is a 10% per annum interest charge on any balance over 30 days old.

TRAVEL POLICY

C.A.R. BUSINESS MEETINGS

1. State and National Directors, Executive Officer, and Legislative Advocate are authorized to be attendees, as directed by the Board of Director's approval of the annual budget.
2. Travel and accommodation arrangements are made by the Association staff and should be arranged through the Executive Officer.
3. Per Diem rate is ~~\$100/day~~ the published IRS allowable rate for that calendar year. (Rev. 9/15/10)
 - Special Events (dances, receptions, installations, etc.) will be paid by the Association if included in the approved budget for the year.
4. A single room will be reserved unless the Executive Officer is notified otherwise. The Director will pay any increased costs due to difference in accommodation.

5. Roundtrip airfare to be paid at lowest available rate from Oakland, San Francisco or Sacramento Airports.
6. If a CAR Director wishes to drive instead of fly to a Directors' meeting, he/she will be reimbursed at the IRS allocated mileage rate up to the expense of the lowest airline fare, round trip.

N.A.R. CONVENTION

1. The President-Elect, if authorized by the Board of Directors, may attend one convention per year for a period of up to five days,
2. Expenses are as authorized for C.A.R. Business Meetings items 3 – 6.

REGION IV MEETINGS

Authorized attendees are members of the C.A.R. Board of Directors, Executive Officer and G.A.D. with reimbursement of mileage and lunch expenses only.

ATTENDANCE AT FUNCTIONS AT ASSOCIATION EXPENSE

1. The Executive Officer and/or the Association President will decide who attends functions to which the Association has been invited
2. The Association President will be reimbursed per the budget for the fiscal year.

REIMBURSEMENT OF AUTHORIZED EXPENSES

1. Directors may be reimbursed for legitimate expenses outside the normal per diem rate such as airport parking fees or hotel parking fees when travel is required by automobile to attend meeting.

FINANCIAL AUDIT

1. That the Budget and Finance Committee arrange for a financial audit every three years and that expense be included in the annual budget. (Rev. 10/20/10)

Risk Management Policies

COMPUTER USAGE

1. NSCAR licenses the use of computer software from a variety of outside companies. NSCAR does not own this software or its related documentation and unless authorized by the software developer, does not have the right to reproduce it except for backup purposes.
2. With regard to Client/Server and network applications, NSCAR employees shall use the software only in accordance with the license agreements.
3. NSCAR employees shall not download or upload unauthorized software over the Internet.
4. NSCAR employees learning of any misuse of software or related documentation within the Company shall notify the department manager or NSCAR's legal counsel.
5. According to applicable copyright law, persons involved in the illegal reproduction of software can be subject to civil damages and criminal penalties including fines and imprisonment. NSCAR does not condone the illegal duplication of software. NSCAR employees who make, acquire, or use unauthorized copies of computer software shall be disciplined as appropriate under the circumstances. Such discipline may include termination.
6. Any doubts concerning whether any employee may copy or use a given software program should be raised with the Executive Officer before proceeding.

CONTRACTS

1. The Executive Officer must approve all obligations, financial or otherwise, and purchases for the Association, that are within the budget for the fiscal year.
2. All contracts for the Association must be signed by the Executive Officer.
3. Contracts for expenses outside of the budget must be approved by the Board of Directors and/or Executive Committee.

INSURANCE

The Association shall carry insurance coverage as follows:

General Liability including Hired and Non-Owned Auto:

\$1,000,000 Per Occurrence

\$2,000,000 Aggregate

Building/Personal Property:

Replacement Coverage

Directors and Officers and Employment Liability:

As per N.A.R. Blanket Policy \$1,000,000

Additional limits to be reviewed by Board of Directors and purchased if needed to protect the assets of the Association.

Member Services Policies

ASSOCIATION INDUCTION / ORIENTATION / ETHICS

1. All new members must complete the New Member Online REALTOR® Ethics Training Orientation Course (effective August 9, 2009) within 60 days or membership may be suspended until training is completed.
2. Orientation process will consist of:
 - a. The new member viewing the NAR, Government Affairs and Safety videos at Association office at the time of application, attendance at a live orientation at the association and swearing in at the MLS Breakfast Tour meeting, are all mandatory. (Effective February 17, 2010)
 - b. The membership committee following up for completion of the online New Member Online REALTOR® Ethics Training Orientation Course and scheduling the swearing in at Breakfast Tour meeting (Effective August 9, 2009)
2. An applicant for membership is considered a provisional member until such time as orientation process is completed.
4. New provisional members may not vote on Association matters until the Membership Committee approves their applications and submits their recommendation to the Board of Directors for final approval.

ARBITRATION

1. All complaints to be handled in accordance with C.A.R. Professional Standards Manual with the following exceptions:
 - Written requests for Arbitration are forwarded to the Association Attorney upon receipt, accompanied by a form letter requesting his review to determine if the matter is proper for Arbitration and if the designated Broker should be enjoined.
 - If the Association Attorney approves the matter, a copy is sent to the respondent for reply to the Association. The Grievance Committee does not participate in reviewing Arbitration requests.
 - If the request for Arbitration is not approved, the Association gives notice to the Complainant of the Attorney's recommendation. Depending upon the recommendation, the issue may be resubmitted.

Arbitration Fees

<u>Claim</u>	<u>Fee</u>
\$1 to \$5,000	\$150 (2-16-00)
Over \$5,000	\$300 (2-16-00)

Continuances or Appeal processing by either party will be charged at \$100 Per hour.

- a. Second continuance is \$100.00.
- b. Third continuance is \$200.00
- c. Fourth continuance is \$400.00
- d. Fifth continuance is \$800.

Transcripts of Hearings - Only to be provided if an appeal is going to be filed. \$25.00

GRIEVANCE / PROFESSIONAL STANDARDS

1. All complaints to be handled in accordance with C.A.R. Professional Standards Manual with the following exceptions:
 - a. NSCAR does not allow Anonymous Complaints
 - b. NSCAR does not have an ombudsman
 - c. NSCAR has not adopted an Ethics Citation Policy
 - d. NSCAR does not have an Ethics Advocate.
2. No fee will be charged to file an Ethics Complaint; however, there is an administrative fee that can be charged a Respondent in the sum of \$150.00. This is to be determined by the Hearing Panel.

USE OF ASSOCIATION ROOMS

1. The Board meeting room is primarily to be used for meetings of the Board of Directors and Association Committees. It may be used by any member for meetings, training programs etc, with the expressed approval of the EO.
2. The Classroom rental/use priority is:
 1. Association Committee Meetings
 2. Association sponsored educational activities
 3. Use by REALTOR®/Affiliate member offices for meetings
 4. Non-member use.

STORE AND SELLING OF STORE ITEMS/ FORMS

1. Store items/forms may be sold to non-members.
2. Member discount will only be provided to primary/secondary members of the NSCAR.
3. Forms will be sold only to active real estate licensees and not the general public.

ADVERTISING DISPLAYS AT THE ASSOCIATION OFFICE

1. No flyers or other advertising of Real Estate listings may be displayed at the Association Office
2. No commercial advertising publications of listings may be displayed at the Association Office.
3. Only Association members/offices may post items at the NSCAR Office.
4. NSCAR reserves the right to remove any flyers or displays from property.

NOTES & DEEDS

1. No property listings or solicitations of agents.
2. Ads for selling personal items (furniture, cars, etc) and ads for hiring clerical personnel will be allowed.
3. Notes & Deeds will be distributed to the membership by way of E-Mail and posted on the NSCAR website.

CHARITABLE ACTIVITIES

1. All charitable activities set up by, performed by, or held on behalf of the Northern Solano County Association of REALTORS® will be done only through the Northern Solano County Association of REALTORS® Charitable Foundation and/or Housing American Families.
(9/15/10)

Record Retention Policy

Permanently

- Articles of Incorporation
- Audit reports by CPA or IRS
- Copyrights
- Cash Books
- Chart of Accounts
- Correspondence on Legal and Important Matters
- Deeds, Mortgages, Bills of Sale, Current Contracts and Leases
- General and Private Ledgers
- Year End Financial Statements
- Insurance policies, accident reports and claims records
- Minutes
- Property Appraisals
- Property Records – including costs, depreciation reserves, end of year trial Balances, depreciation schedules, blueprints and plans
- Tax returns and worksheets, Revenue Agent's Reports and documents relating To determination of income tax liability
- Trademark Registrations

Seven Years

- Accounts Payable
- Accounts Receivable
- Bank Reconciliations
- Bank Statements
- Cancelled checks
- Expired contracts and leases
- Expense analyses and expense distribution schedules
- Invoices from Vendors
- Notes receivable ledgers and trial balances
- Payroll records
- Employee personnel records after termination
- Sales records
- Inventory records

Five Years

- Grievance Files
- Professional Standard Files

Three Years

- Applications for Employment
- Correspondence
- Internal audit reports
- Petty cash vouchers
- Terminated Member Files