

PACIFIC WEST ASSOCIATION OF REALTORS®

Policies and Procedures Manual

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PACIFIC WEST ASSOCIATION OF REALTORS®, INC. POLICIES AND PROCEDURES MANUAL

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PACIFIC WEST ASSOCIATION OF REALTORS®, INC. POLICIES AND PROCEDURES MANUAL

Section 1. Board of Directors

SECTION 1. BOARD OF DIRECTORS

AUTHORITY

Authorized as per Bylaws and the policies of the National Association of REALTORS® (NAR) and/or the California Association of REALTORS® (CAR) and/or the Pacific West Association of REALTORS®.

PURPOSE

Shall be the governing body of the Pacific West Association of REALTORS® (hereinafter referred to as the "Association"), over and above the Association President, Chief Executive Officer and all Committees.

Shall have the immediate charge and control of the affairs of the Association. Shall serve the public's interests as well as the Members' interests. Shall determine overall policies and make decisions that affect the operations of the Association. Shall establish goals and objectives of the Association. Shall serve on Committees as authorized by the Bylaws. In addition to being accountable to the general membership for the conduct of the Association's business, the Directors' major focus shall be future planning, including:

1. Defining and establishing the Association's Mission and Vision Statements;
2. Establishing short and long-term strategic plans, objectives and policies; and
3. Defining and approving program prioritization and budgeting.

MEMBERSHIP AND TERMS

I. COMPOSITION

The governing body of the Association shall be a Board of Directors consisting of fifteen (15) Directors, comprised of the following:

- A. Two Ascended Officer/Directors: The President position is filled automatically by the prior year's President-Elect, and the Immediate Past President position is filled automatically by the prior year's President.
- B. Eight Two-Year Elected Directors:
 1. Effective for the 2011 election of the 2012 Directors and all subsequent elections, there shall be eight (8) Directors who are elected by the membership from the REALTOR® members to serve staggered two-year terms, so that there will be four (4) vacancies in each annual election. In the event circumstances result in there being more than four (4) two-year Director vacancies, then one or more vacancies will be filled for a one-year term for that election only as necessary to maintain staggered terms.
 2. Effective only for the 2011 election of the 2012 Directors, staggered terms will be established as follows: The four (4) candidates who receive the highest number of votes will be elected as Directors to serve two-year terms, and the candidate who receives the fifth highest number of votes will be elected as the one (1)

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Director to serve a one-year term, and the three (3) Directors previously elected will serve the second year of their two-year terms.

- C. Two One-Year Elected Directors: Two (2) REALTOR® member Directors who have not previously served on any REALTOR® Association board of directors and who are elected by the membership to serve a one (1) year term.
- D. Three One-Year Appointed Directors At Large: Three (3) REALTOR® member Directors at Large who are appointed by the President-Elect and ratified by the Board of Directors to serve one (1) year terms. A Director at Large may be appointed at the organizational meeting referenced in Section 1.2 of this Article X or any time thereafter.
- E. A vacant elected Director position shall be filled by a simple majority vote of the remaining members of the Board of Directors then in office. If a Director is unable to assume office after being elected, or if the President Elect or President is unable to ascend to following Officer position, his or her seat becomes vacant and shall be filled by a majority vote of the Board of Directors.

II. TERM LIMITS

Directors elected for two-year terms shall serve no more than three (3) consecutive elected two-year terms, excluding service by ascendancy to the positions of President and Immediate Past President. Service for less than fifty percent (50%) of a full two (2) year term due to the filling of a vacancy created by the resignation or removal of a Director or Director/Officer shall not be counted as an elected term for purposes of counting the three consecutive elected two-year terms limit.

III. REMOVAL OF OFFICERS AND DIRECTORS

In the event a Director is deemed to be incapable for any reason of fulfilling the duties for which he or she is elected or the Officer position to which he or she is appointed, but will not resign from office voluntarily, the person may be removed from office under the following procedure:

- A. A petition requiring the removal of a Director or Director/Officer and signed by not less than one-third (1/3) of the voting membership or a majority of all Directors shall be filed with the President, or if the President is the subject of the petition, with the next ranking officer, and shall specifically set forth the reasons the individual is deemed to be disqualified from further service.
- B. Upon receipt of the petition, and not less than twenty (20) days or more than forty-five (45) days thereafter, a special meeting of the voting membership of the Association shall be held. The sole business of the meeting shall be to consider the charge against the Director or Director/Officer, and to render a decision on such petition.
- C. The special meeting shall be noticed, including the general nature of the meeting, to all voting members at least ten (10) days prior to the meeting, and shall be conducted by the President unless the President's continued service in office is being considered at the meeting. In such case, the next ranking officer will conduct the meeting. Provided a quorum is present, a three-fourths (¾) vote of members present and voting shall be required for removal from office.

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Section 1. Board of Directors

IV. CRITERIA

- A. Member in good standing of the Association when seated.
- B. Member in good standing of the Association for one year prior to being seated.
- C. Active in real estate or related business (major source of income).
- D. Although not mandatory, Directors should endeavor to possess the following leadership traits:
 - Ability to adapt and foresee changes – progressive and proactive
 - Attitude of availability and openness to members and their needs
 - Reputation and respect within the real estate community
 - Ability to react positively and clearly under pressure
 - A coalition builder to help reach common goal(s)
 - Ability to create a positive image of the Association to members and the community
 - A “team” player

QUORUM

A quorum for the transaction of business by the Board of Directors shall consist of a majority of the Directors. No quorum rules apply for election of Directors by the membership.

POLICIES AND PROCEDURES

I. ORIENTATION (concurrent with annual retreat)

- A. Attend a Directors Orientation at the Association’s retreat on legal duties and become generally familiar with the Association’s governing documents, such as the Bylaws, Code of Ethics and Multiple Listing Service Rules and Regulations
- B. Attend a Professional Standards seminar in accordance with policies of N.A.R., C.A.R., and/or the Association and minimally at least once every other year no later than the first quarter of their first year in office.
- C. Sign the Association’s Confidentiality Agreement and Conflict of Interest Code prior to taking office and on an annual basis thereafter.

II. PRIOR TO EACH DIRECTORS MEETING

- A. Director’s packet to be delivered prior to meeting date. All Directors (and Officers) shall have electronic mail capacity in order to receive notices, Board Agendas, and other information.
- B. Shall review entire packet containing items to be covered in session.

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Section 1. Board of Directors

III. MEETINGS

- A. The Board of Directors may conduct business only in regularly scheduled or properly called special meetings, as per Bylaws, or at an adjournment thereof, of which every Director shall be notified and at which a quorum is present. Board of Directors meetings are held at the Association's office (unless otherwise notified).
- B. An automatic resignation from the Board of Directors takes place at the end of the third absence during the calendar year from regularly scheduled meetings, unless such absence is excused, due to an emergency, such as a death or medical crisis in the immediate family, in which case the President may excuse the absence if ratified by a majority vote at any regular or special meeting, in accordance with the Association's Bylaws. In addition to an emergency, an excused absence is deemed proper if a Director is called to jury duty, subpoenaed to testify in a court-type hearing, or if the Director must attend an Association function including an N.A.R. or C.A.R. function. An absence will be considered unexcused if the Director is absent because of a conflicting meeting or event involving the Director's place of business/employment.
- C. Meetings shall be conducted in accordance with Robert's Rules of Order.
 - 1. Minutes of previous meeting should be approved before conducting other business.
 - 2. Consent agenda shall consist of informational reports and Committee reports.
- D. All meetings shall be non-smoking.
- E. All Directors including the elected, appointed, and ascended Director/Officers have one (1) vote.
- F. Once a quorum is established, it shall remain in effect regardless of the number of Directors remaining or voting.

IV. DUTIES

- A. Attend all regularly scheduled and specially called Board of Directors meetings unless excused.
- B. Make reasonable efforts to attend Association-sponsored events within the industry, including but not limited to broker/manager meetings, general membership meetings, trade shows or educational events.
- C. Carry out assignments as designated by the President.
- D. Maintain a high-profile and dignified presence at Association functions.
- E. Make reasonable efforts to keep abreast of trends and events within the industry, the economy, and the Association to be able to assess the likely impact upon the membership and develop positive plans and objectives accordingly.

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POLICIES AND PROCEDURES MANUAL

Section 1. Board of Directors

- F. Avoid micromanagement by understanding the relationship between volunteer and staff in an organization where volunteer Directors make policy decisions and staff has the responsibility to insure policies are carried out.
- G. Be generally familiar with Association operation and philosophies.
- H. Demonstrate the willingness to devote time to the Association's responsibilities, including necessary homework and preparation.
- I. Be generally familiar with new technologies and how they are impacting the industry, such as the Internet, personal computers, and emerging MLS technologies.
- J. Serve on the Board of Directors' Review Panel.
- K. Candidates for the Board of Directors are strongly encouraged, at a minimum, to make a \$148.00 "true cost of doing business" contribution to the C.A.R. Political Action Fund.

V. DIRECTIVES FOR THE BOARD OF DIRECTORS

- A. Committee and task force items shall be channeled through the Chief Executive Officer to the Chairpersons.
- B. Staff items shall be channeled through the Chief Executive Officer.
- C. All members of the Board of Directors and Officers shall have electronic mail capability in order to be able to receive notices and information from the Association and Chief Executive Officer.
- D. Members of the Board of Directors, including all Officers, are encouraged to, at a minimum, make an annual voluntary donation and participate in the California Association of REALTORS® ("C.A.R.") political action fund(s).
- E. Telephonic communication to the Association's counsel or accountant shall be directed through the President and/or Chief Executive Officers unless otherwise directed by the Board of Directors.

VI. EXPENDITURES BY BOARD OF DIRECTORS

The Board of Directors shall administer the day to day finances of the Association. Unbudgeted capital expenditures in excess of one percent (1%) of the budgeted annual gross income may not be made by the Board of Directors unless authorized by a majority vote of the Budget and Finance Committee. However, unbudgeted expenditures required for the protection of capital assets or to respond to emergency situations may be approved by the Board of Directors. Capital expenditures are those expenditures for long term improvements chargeable to the capital asset account.

PACIFIC WEST ASSOCIATION OF REALTORS®, INC.

POLICIES AND PROCEDURES MANUAL

Section 1. Board of Directors

VII. BOARD OF DIRECTORS' REVIEW PANEL

- A. Purpose.** To review the recommendations issued by the Hearing Panel of the Professional Standards Committee and to hear matters which were heard by the Hearing Panel of the Professional Standards Committee when a Request for Review is filed. The purpose of the Board of Directors' Review Panel is defined in the C.A.R. Code of Ethics and Arbitration Manual.
- B. Composition.** The Board of Directors' Review Panel is composed of three Directors and one alternate Director appointed by the President on a case-by-case basis.
- C. Qualifications.** A Director appointed to serve on the Board of Directors' Review Panel must meet each of the following qualifications during the year immediately prior to being appointed, at the time appointed, and during the term of service:
1. Be licensed without any restriction by the DRE.
 2. Be in compliance with the Regulations of the Real Estate Commissioner.
 3. Not have been placed on probation by the DRE.
 4. Not have been sanctioned for a violation of the Code of Ethics or have sanctions pending.

VIII. INSPECTION RIGHTS TO REVIEW OR COPY ASSOCIATION RECORDS

- A. Right of Directors.** In order to discharge their fiduciary duties, Directors generally have an absolute right, pursuant to Corporations Code section 1602, to inspect corporate books, records and physical properties of the Association, at any reasonable time, including the right to make copies or extracts of any such records or documents. Inspection may be demanded by the Board of Directors acting as a group, or by any Director individually, and may be conducted in person, or by agent or attorney. The Board of Directors shall make Association records available as required by California law.
- B. Rights of Members.** Members of the Association are not fiduciaries and therefore do not have absolute inspection rights. The member's inspection rights depend on the type of records sought to be inspected and, in certain cases, on the purpose of the desired inspection. The validity of limitations on such inspection rights depends on the type of record sought to be inspected. The Board of Directors shall make Association records generally available only as required by California law, subject to the advice of Association counsel, as follows:
1. **Articles and Bylaws:** The member's right of inspection of the Articles and Bylaws is absolute pursuant to Corporations Code section 213, and may be exercised during office hours at the Association's principal executive office
 2. **Accounting records:** The member's right to inspect accounting books and records is more limited. Such records are open to inspection at the Association's principal office at reasonable times during business hours upon written demand showing a purpose reasonably related to such member's interests as a member of the Association, pursuant to Corporations Code section 1601(a). The right to inspect does not extend to records not reasonably related

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Section 1. Board of Directors

to the proper purposes for which it is sought. The member's inspection right extends only to the "accounting" records of the Association. There is no statutory right to inspect other corporate records or physical property.

3. **Other records and properties:** Unless otherwise required by California law, members have no statutory right to inspect the Association's contracts or correspondence, its loan documents, or leases, or the physical plant or properties of the Association. The lack of a statutory inspection right does not, however, prevent a member inspection of other corporate records and properties under appropriate circumstances. California common law and/or statutory law inspection rights exist wherever a member can show a "proper and reasonable purpose related to their interest as members.
4. **Privacy Protection:** Personnel records of every kind are within the zone of constitutionally-protected privacy rights and are generally not to be subject to member inspection or copying.
5. **Member Files:** Member files, including personal financial information, is within the zone of constitutionally-protected privacy rights and is not to be subject to member inspection or copying unless mandated by law or court process.

IX. EXECUTIVE COMMITTEE

As set forth in Article X, Section 4, Paragraph 4.3, the Officers of the Association shall be an Executive Committee. The Association's Chief Executive Officers shall be a non-voting attendee at all meetings. The duties of the Executive Committee include the following:

- A. Those duties assigned by the Board of Directors.

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POLICIES AND PROCEDURES MANUAL **Section 2. Chief Executive Officer**

SECTION 2. CHIEF EXECUTIVE OFFICER

AUTHORITY

Authorized as per Bylaws and in accordance with a written contract for employment.

PURPOSE

In accordance with a written contract, the Chief Executive Officer is the chief staff person of the Association and shall be the Assistant Secretary of the Association. Except as otherwise expressly determined by the Board of Directors, the Chief Executive Officer shall manage, direct and be accountable for the full range of operations of the Association toward its established objectives, based on profit and return on capital, by performing the essential duties set forth in the Job Description, as amended from time to time by the Board of Directors, personally or through support staff, and shall have primary responsibility to hire and terminate staff and to plan, direct and supervise the professional clerical employees; maintain all records and administer the Association budget. The Chief Executive Officer shall be chosen by, and his/her salary shall be fixed by, the Board of Directors. The Chief Executive Officer need not be a member of the Association or member of the Board of Directors, and shall have no voting privileges.

POLICIES AND PROCEDURES

I. ADMINISTRATIVE

A. Budget and Finance

1. Collect all monies paid to the Association, maintain all membership records and accounts, approve all administrative expenditures, and render a monthly statement of income and expense for the Treasurer.
2. Work with the Budget and Finance Committee to prepare an annual budget.
3. Be one of the signatories on all bank accounts.
4. Advise Board of Directors of renewals of contracts and confirm that they are properly reviewed by the Board of Directors and/or Legal Counsel before they are executed by the President and Secretary or their legal alternates.
5. Screen calls made to the Association's Legal Counsel and/or C.P.A.

B. Office Organization and Routine

1. Obtain bonding/insurance for the Chief Executive Officer and Association employees.
2. Be in charge of and have authority to contract for building and equipment maintenance and janitorial services; seek authority from Board of Directors for any one-time expenditure in excess of \$5,000, unless an emergency exists.
3. Provide security for all files, legal and historical documents, membership, and mailing lists.

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POLICIES AND PROCEDURES MANUAL **Section 2. Chief Executive Officer**

4. Maintain continuing liaison with members of the Association to determine their requirements for service and utilization of Association facilities and staff.

C. Records

1. Maintain all Association records.
2. Makes records available per the Bylaws and this Manual.

D. Human Resources Function

1. Provide employees with information and necessary assistance to understand the Association's human resources policies and to promote a positive work environment; maintain and provide Association employees with current information on human resources policies, personnel records, insurance, benefits, and job opportunities.
2. Maintain complete and up-to-date personnel records for all current employees.
3. Handle all inquiries or requests for employment verifications and employee references in accordance with Association policies.
4. Fulfill all human resources, personnel, and administrative responsibilities as provided in the Employee Handbook.

II. EXECUTIVE STRUCTURE

A. Officers and Directors

1. Consult with and advise the Association President, Officers, Directors, and Committee Chairpersons in establishing the Association's goals, objectives, policies, and programs.
2. Prior to the installation, meet with the incoming Officers to formulate plans for the coming year.
3. Screen all publicity, announcements, and advertising pertaining to the Association.
4. Attend meetings of the Board of Directors and execute decisions and directives of the Association.
5. Provide Officers and Directors with current copies of the Bylaws, MLS Rules and Regulations, Code of Ethics, and Policies and Procedures Manual.
6. Maintain an online events calendar.

III. MEMBERSHIP

Attend meetings of the General Membership.

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POLICIES AND PROCEDURES MANUAL *Section 2. Chief Executive Officer*

IV. COMMITTEES

- A. Make available and provide to Committees pertinent information (i.e., actions of the Association, other Committees working on same issues, past experiences, etc.).
- B. Attend or have other staff person attend Committee meetings; and submit Committee reports and recommendations to Board of Directors for approval.

V. COMMUNITY ORGANIZATION

A. Public Relations

- 1. Screen and review pertinent information for dissemination to the proper channels.
- 2. Attend, as a representative of the Association, functions and meetings as authorized by the Board of Directors.

VI. ELECTION

Oversee election and/or membership votes in accordance with California law and Association Bylaws and policies.

VII. C.A.R. AND N.A.R.

- A. Unless excused, attend meetings of C.A.R. and N.A.R., and such conferences and seminars as agreed upon between Chief Executive Officer and the Board of Directors, as budgeted by the Association. These meetings and seminars may include, but are not limited to, three (3) meetings annually of C.A.R., [three (3) Directors' meetings, including the Convention, the annual Association Executive Institute of N.A.R. and the meetings or conventions of the N.A.R
- B. Act as the Regional Executive Secretary if the C.A.R. Regional Vice President is elected from the Association, including taking minutes, etc., and transmitting same to appropriate Regional Members.
- C. Complete surveys and reports when appropriate, as requested by C.A.R. and N.A.R. or the Board of Directors.
- D. Maintain liaison with other Boards/Associations of REALTORS®, C.A.R., and N.A.R.
- E. Attend or send Association representative to Regional meetings, and keep Committee Chairpersons informed as to suggested Region-wide functions.

PACIFIC WEST ASSOCIATION OF REALTORS®, INC. POLICIES AND PROCEDURES MANUAL

Section 3. President

SECTION 3. PRESIDENT

AUTHORITY

Authorized as per Bylaws.

PURPOSE

The President shall be the corporate President of the Association, a member of the Executive Committee, and shall preside at all meetings of the membership and the Board of Directors, and shall be an ex officio member of all Committees. The President shall communicate to the members of the Board of Directors such matters as, in the President's opinion, are deemed proper and tend to promote the welfare and increase the usefulness of the Association. The President shall perform all other duties as are required by law or incident to the office of President or as may be prescribed by the Bylaws and the Board of Directors. The President shall automatically serve as a C.A.R. Director.

QUALIFICATIONS

As set forth in the Bylaws.

POLICIES AND PROCEDURES

I. SERVE AS PRESIDENT

- A. Serve as President for one year.
- B. Serve as a member of the Executive Committee and Board of Directors

II. PRE-INSTALLATION GUIDELINES

Prior to installation the following guidelines should apply:

- A. Attend an Orientation as described under Board of Directors.
- B. Become generally familiar with the Association Bylaws, Code of Ethics, a summary of Robert's Rules of Order, Policies and Procedures Manual, Professional Standards Rules and Regulations, and MLS Rules and Regulations.
- C. Appoint Committee Chairpersons, advisory task forces and/or advisory groups and specifically entitled appointments to Executive Committee as applicable or whenever a vacancy shall exist during the term as President, subject to approval by the Board of Directors.
- D. Consult with President-Elect and selected Chairpersons on choice of Committee members.
- E. Appoint three (3) one-year Directors At Large as per Bylaws.
- F. Meet with current President and/or Past Presidents to become familiar with the office and to promote a smooth transfer of authority.

PACIFIC WEST ASSOCIATION OF REALTORS®, INC.

POLICIES AND PROCEDURES MANUAL

Section 3. President

- G. Meet with Committee Chairpersons and review policies, procedures, and goals for the coming year.
- H. Delegate such Presidential duties as appropriate to President Elect and/or other Officers throughout the year.
- I. Sign the Association's Confidentiality Agreement and Conflict of Interest Code before taking office.
- J. Have electronic mail capability in order to be able to receive notices and information from the Association and Chief Executive Officer.
- K. Directors, including the President, are encouraged to, at a minimum, make an annual voluntary donation and participate in the California Association of REALTORS® ("C.A.R.") political action fund(s).

III. MEETINGS

- A. Schedule and coordinate Board of Directors meeting calendars:
 - 1. Check annual calendar for upcoming items in reference to election to conform to Bylaws when coordinating agenda with Chief Executive Officer.
 - 2. Update Board of Directors event calendar as needed and communicate updates to Board of Directors via Board of Directors Master Calendar.
- C. Attend and conduct all Board of Directors meetings:
 - 1. Commence meetings on time.
 - 2. Control meetings with firm guidance and control discussion to the subject being considered.
 - 3. Confer with Chief Executive Officer or Legal Counsel for decisions on parliamentary procedure.
 - 4. Vote only to break a tie.
 - 5. Relinquish the chair for entire subject if taking part in the discussion.
- H. Conduct Executive Committee meetings (as defined below) monthly or as necessary.
- I. Make reasonable efforts to attend all major events and Association functions and meetings, including General Membership broker/manager meetings, and PWR Trade Show/Expo. In the event the President is unable to attend an event or function, arrange for an alternate, such as the President-Elect to attend.
- J. Attend all special Leadership meetings and Association's Annual Leadership Retreat.

PACIFIC WEST ASSOCIATION OF REALTORS®, INC.

POLICIES AND PROCEDURES MANUAL

Section 3. President

- K. Attend all New Members Orientation Meetings (or designate a representative to attend) and install new members of the Association.
- L. Attend all Budget and Finance Committee planning meetings.

IV. MEMBERSHIP

- A. Consult with and work in cooperation with the Chief Executive Officer.
- B. Influence the establishment of goals and objectives for the Association, which are established by the Board of Directors at annual retreat prior to the Budget preparation and in conjunction with staff input.
- C. Be responsible for confirming that the programs and policies of the Association reflect the needs and aspirations of the membership.
- D. Act as spokesperson and inspirational leader of the Association and take a substantial role in monitoring and evaluating organizational performance and effectiveness.
- E. Exercise personal leadership in the motivation of other Officers, Directors, Committee members and membership.
- F. Promote interest and active participation in the Association by the membership.
- G. Report activities of the Directors and the Association to the Members by means of letters, publications, and/or speeches.
- H. Attend Association functions and meetings.

V. BUSINESS

- A. Serve as official spokesperson for the Association.
- B. Strive, in cooperation with the Budget and Finance Committee, to operate within an annual budget.
- C. Confirm that the Treasurer or Chief Executive Officer arranges to have the Association's finances audited annually.
- D. Be available to sign checks and contracts as needed.
- E. Monitor progress of Committees, except Grievance Committee, Professional Standards Committee, Mediation Committee, and Nominating Committee, as ex officio member, and make appropriate recommendations.
- F. Meet with President-Elect and Chief Executive Officer on regular basis to discuss Association issues and agenda items for Executive Committee and Board of Director meetings.

**PACIFIC WEST ASSOCIATION OF REALTORS®, INC.
POLICIES AND PROCEDURES MANUAL**

Section 3. President

- G. Meet with local, state and national political leaders, broker owners and/or office managers, and marketing groups as necessary (can utilize concept of small focus group survey meetings, i.e. breakfast meetings, etc.)
- H. Serve as designated shareholder representative to SoCal MLS Board of Directors
 - 1. Coordinate planning and hosting of periodic meetings of SoCal MLS shareholder associations with the presidents, president-elects and executive officers.
 - 2. Attend and represent voting shareholder interest of Association at the annual meeting and all special meetings of SoCal MLS.

VI. PUBLIC RELATIONS

- A. Be the official representative of the entire membership, and promote the best interests of the Association.
- B. Attend, in President's discretion, outside functions and meetings as a representative of the Association.
- C. Maintain liaison with the news media, in cooperation with the Chief Executive Officer.
- D. Provide interviews to news media (or designate a representative to be interviewed) regarding local real estate market conditions, industry positions or trends.
- E. Attend functions and meetings of other Boards/Associations within the Association's region.

VII. SERVE AS C.A.R. AND N.A.R. DIRECTOR

- A. Attend C.A.R. Regional meetings.
- B. Attend and participate in C.A.R. and N.A.R. Leadership Conferences.
- C. Attend C.A.R. and/or N.A.R. Directors meetings and conventions.
- D. Serve as official voting delegate to N.A.R. Delegate body, which officially meets during annual winter meetings.

**PACIFIC WEST ASSOCIATION OF REALTORS®, INC.
POLICIES AND PROCEDURES MANUAL**

Section 4. President Elect

SECTION 4. PRESIDENT-ELECT

AUTHORITY

Authorized as per Bylaws.

PURPOSE

The President-Elect shall perform such duties as prescribed by the Bylaws and the Board of Directors, and as delegated by the President, and shall participate in and vote on Association business. The President-Elect shall be a member of the Executive Committee and shall automatically serve as a C.A.R. Director.

QUALIFICATIONS

As set forth in the Bylaws.

POLICIES AND PROCEDURES

I. PRIOR TO BECOMING PRESIDENT

- A. Become generally familiar with, prior to taking office, the Association's governing documents, such as the Bylaws, Code of Ethics and Multiple Listing Services Rules and Regulations.
- B. Commence selection of Committee Chairpersons for his/her year as President no later than the regular September meeting during the term as President-Elect.
- C. Submit recommended Chairpersons to the Board of Directors no later than the regular October meeting.
- D. Submit recommended C.A.R. and N.A.R. representatives in a timely fashion, subject to confirmation by the Board of Directors.

II. SERVE AS PRESIDENT-ELECT AND ASCEND TO PRESIDENCY

- A. Serve as President-Elect for one year, and automatically ascend to the Presidency at the end of his/her term as President-Elect, or upon vacancy in the position of President.
- B. Serve as a member of the Board of Directors and Executive Committee.
- C. Assume all chair duties for Board of Director meetings and Executive Committee meetings in absence of President or at direction of President.
- D. Make reasonable efforts to attend all major events of Association, including:
 - 1. Annual Leadership Retreat
 - 2. PWR Trade Show
 - 3. All General membership and broker/manager meetings

PACIFIC WEST ASSOCIATION OF REALTORS®, INC.
POLICIES AND PROCEDURES MANUAL

Section 4. President Elect

4. Installation
 5. Periodic meetings of SoCal MLS Shareholder Association Presidents meetings
 6. At least one and preferably more than one scheduled New Member Orientation meeting
 7. Represent the President and/or Association at other individual or joint local association meetings or events (other association's installations), as requested by President
- H. Serve as member and/or Chairperson of all appointed Task Force Committees and/or President's Advisory Groups, as needed.

III. ORIENTATION (concurrent with annual retreat)

- A. Attend a Directors Orientation at the Association's retreat on legal duties and become generally familiar with the Association's governing documents, such as the Bylaws, Code of Ethics and Multiple Listing Service Rules and Regulations
- B. Attend a Professional Standards seminar in accordance with policies of N.A.R., C.A.R., and/or the Association and minimally at least once every other year no later than the first quarter of their first year in office.
- C. Sign the Association's Confidentiality Agreement and Conflict of Interest Code prior to taking office and on an annual basis thereafter.

IV. SERVE AS C.A.R. DIRECTOR

- A. Attend C.A.R. Regional meetings unless excused, as defined herein.
- B. Attend C.A.R. and N.A.R. Leadership Conferences.
- C. Attend C.A.R. and/or N.A.R. Directors meetings and conventions.
- D. Set retreat dates and criteria as soon as possible with the Chief Executive Officer.

**PACIFIC WEST ASSOCIATION OF REALTORS®, INC.
POLICIES AND PROCEDURES MANUAL**

Section 5. Vice President

SECTION 5. VICE PRESIDENT

AUTHORITY

Authorized as per Bylaws.

PURPOSE

Responsible for governing the Association as an elected or appointed Director to serve the interests of the Board, the general membership of the Association and the public. Shall assist the President and other members of the Board of Directors and recommend they serve as a C.A.R. Director.

QUALIFICATIONS

As set forth in the Bylaws.

POLICIES AND PROCEDURES

I. SERVE AS VICE PRESIDENT

- A. Serve as Vice President for one year.
- B. Serve as a voting member of the Executive Committee and Board of Directors.

II. ORIENTATION (concurrent with annual retreat)

- A. Attend a Directors Orientation at the Association's retreat on legal duties and become generally familiar with the Association's governing documents, such as the Bylaws, Code of Ethics and Multiple Listing Service Rules and Regulations
- B. Attend a Professional Standards seminar in accordance with policies of N.A.R., C.A.R., and/or the Association and minimally at least once every other year no later than the first quarter of their first year in office.
- C. Sign the Association's Confidentiality Agreement and Conflict of Interest Code prior to taking office and on an annual basis thereafter..

III. MEETINGS

- A. Attend all regular and special Board of Directors meetings and all major events of the Association, including:
 - 1. Annual Leadership Retreat
 - 2. PWR Trade Show
 - 3. All General membership and broker/manager meetings
 - 4. Installation
 - 5. Area marketing meetings, at President's request

PACIFIC WEST ASSOCIATION OF REALTORS®, INC.
POLICIES AND PROCEDURES MANUAL

Section 5. Vice President

6. Represent the President and/or Association at other individual or joint local association meetings or events (other association's installations), as requested by President and/or President-Elect
7. Act as presiding officer at Board of Director meeting in the absence of the President and President-Elect, on request.
8. Serve as a member of any appointed Task Force Committee and/or President's Advisory Group, as needed.

PACIFIC WEST ASSOCIATION OF REALTORS®, INC.
POLICIES AND PROCEDURES MANUAL **Section 6. Secretary/Treasurer**

SECTION 6. SECRETARY/TREASURER

AUTHORITY

Authorized as per Bylaws.

PURPOSE

The Secretary/Treasurer shall be elected the corporate Vice President of Finance and Administration of the Association and shall work with staff on monthly and annual income and expense reports, budgets, tax returns, the receipt and disbursement of funds. Shall serve a one (1) year term. It shall be the duty of the Secretary/Treasurer or designee(s), including the Chief Executive officer, to keep the records of the Board of Directors and to carry on all necessary correspondence with N.A.R. and C.A.R., and otherwise. The Secretary/Treasurer shall be a member of the Executive Committee.

QUALIFICATIONS

As set forth in the Bylaws.

POLICIES AND PROCEDURES

I. SECRETARY/TREASURER-ELECT

- A. Presents candidates to President for appointment to Budget and Finance Committee
- B. Prepares the proposed Annual Budget in consultation with the Vice President of Finance and Administration and Chief Executive Officer.
- C. Leads discussion with Budget and Finance Committee during its budget planning meeting
- D. Presents proposed budget (previously approved by the Budget and Finance Committee) to the Board of Directors for review and approval.
- E. Attends an Orientation at the annual retreat as described above.

II. SERVE AS SECRETARY/TREASURER FOR ONE-YEAR TERM

- A. Present to and review monthly financial status report with the Board of Directors.
- B. Chair and meet monthly or as needed with the Budget and Finance Committee.
- C. Present the C.P.A.'s projected tax liability and recommendations to the Board of Directors upon receipt.
- D. Arrange for the annual proposed budget to be presented at the annual planning meeting of the Budget and Finance Committee following the Annual Leadership Retreat.
- E. Arrange for an annual audit to be prepared by the Association's C.P.A., review the annual audit with the C.P.A., and present the completed annual audit to the Board of Directors.

PACIFIC WEST ASSOCIATION OF REALTORS®, INC.
POLICIES AND PROCEDURES MANUAL **Section 6. Secretary/Treasurer**

- F. Review the annual Tax Returns of the Association.
- G. Be available to sign checks and contracts, as necessary.
- H. Meet monthly with the Budget and Finance Committee and as needed with the Association's Vice President of Finance and Administration and/or C.P.A. or financial investment manager to review the Association's financial position.
- I. Review financial reports and make recommendations to the Board of Directors.
- J. Attend all major events of the Association, including:
 - 1. Annual Leadership Retreat and all planning meetings
 - 2. PWR Trade Show
 - 3. All General membership and broker/manager meetings
 - 4. Installation

PACIFIC WEST ASSOCIATION OF REALTORS®, INC.
POLICIES AND PROCEDURES MANUAL **Section 7. Immediate Past President**

SECTION 7. IMMEDIATE PAST PRESIDENT

AUTHORITY

Authorized as per Bylaws.

PURPOSE

The Immediate Past President shall perform such duties as prescribed by the Bylaws and the Board of Directors, and as delegated by the President, and shall participate in and vote on Association business.

QUALIFICATIONS

As set forth in the Bylaws.

POLICIES AND PROCEDURES

I. SERVE AS IMMEDIATE PAST PRESIDENT FOLLOWING PRESIDENCY

- A. Serve, automatically, as Immediate Past President for one year, unless elected to another position.
- B. Be available to advise, from the valuable experience and knowledge gained through past year's service, whenever the occasion demands.
- C. Serve as a voting member of the Board of Directors and Executive Committee.
- D. Assist in carrying out the completion of goals from the year he/she served as President.
- E. Lead discussion on incentive compensation payout for goals achieved during the year he/she served as President.
- F. Sign the Association's Confidentiality Agreement and Conflict of Interest Code prior to taking office and on an annual basis thereafter.
- G. Serve as member and/or Chairperson of all appointed Task Force Committees and/or President's Advisory Groups, as needed.

II. MEETINGS.

- A. Make reasonable efforts to attend all major events of Association, including:
 - 1. Annual Leadership Retreat
 - 2. PWR Trade Show
 - 3. All leadership gatherings as set out by President
 - 4. All General membership and broker/manager meetings

PACIFIC WEST ASSOCIATION OF REALTORS®, INC. POLICIES AND PROCEDURES MANUAL

Section 8. REALTOR® Member Directors

SECTION 8. REALTOR® MEMBER DIRECTORS

AUTHORITY

Authorized as per Bylaws.

PURPOSE

Responsible for governing the Association as an elected or appointed Director to serve the interests of the Board, the general membership of the Association and the public.

QUALIFICATIONS

As set forth in the Bylaws.

POLICIES AND PROCEDURES

I. SERVE AS DIRECTOR.

- A. Serve as Director for one or two year term, as set forth in the Association's Bylaws and this Policies and Procedures Manual governing the Board of Directors.

II. ORIENTATION (concurrent with annual retreat)

- A. Attend a Directors Orientation at the Association's retreat on legal duties and become generally familiar with the Association's governing documents, such as the Bylaws, Code of Ethics and Multiple Listing Service Rules and Regulations.
- B. Attend a Professional Standards seminar in accordance with policies of N.A.R., C.A.R., and/or the Association and minimally at least once every other year no later than the first quarter of their first year in office.
- C. Sign the Association's Confidentiality Agreement and Conflict of Interest Code before attending the Annual Leadership Retreat and on an annual basis thereafter.
- D. Have electronic mail capability in order to be able to receive notices and information from the Association and Chief Executive Officer.
- E. Directors are encouraged to make an annual voluntary donation of \$197.00 (the true cost of doing business) and participate in the California Association of REALTORS® ("C.A.R.") REALTOR® Action Fund.

III. MEETINGS

Make reasonable efforts to attend all major events of the Association, including:

1. Annual Leadership Retreat and all planning meetings
2. PWR Trade Show
3. All General membership and broker/manager meetings

**PACIFIC WEST ASSOCIATION OF REALTORS®, INC.
POLICIES AND PROCEDURES MANUAL**

Section 8. REALTOR® Member Directors

4. Installation
5. At least one New Member Orientation Meeting

IV. PRIOR TO EACH DIRECTORS MEETING

- A. Director's packet to be delivered prior to meeting date.
- B. Shall review entire packet containing items to be covered in session.

PACIFIC WEST ASSOCIATION OF REALTORS®, INC. POLICIES AND PROCEDURES MANUAL

Section 9. C.A.R. Directors

SECTION 9. CAR DIRECTORS

AUTHORITY

Authorized as per Bylaws.

PURPOSE

Responsible for governing CAR as an elected or appointed director of its policy making body.

QUALIFICATIONS

- I. As set forth in the Bylaws of CAR.
- II. The following criteria must be met in order to make application as a CAR Director representing the Association:
 - A. Must be a member in good standing of the Association with no unsatisfied ethics, arbitration or mediation decisions.
 - B. Must have previous REALTOR® Association experience (e.g., service on committees or task forces)
 - C. Must be engaged full-time in a real estate related business.
 - D. Must have electronic mail capabilities, presentation download capabilities, cell phone and text message capabilities.
 - E. Must attend (unless excused by the Executive Committee) all local or state CAR Directors' meetings, including all assigned committee meetings, all caucus meetings, and both Directors' sessions, within the calendar year and be prepared to report from any Committee appointed to.
 - F. Directors are expected to make an annual voluntary contribution to the CAR Political Action Fund of at least \$197.00 (the true cost of doing business).

POLICIES AND PROCEDURES

I. SERVE AS A DIRECTOR OF CAR

- A. Membership is set by CAR for a one-year term. CAR Directors serve at the pleasure of the Executive Committee and may be removed at any time. Any Director with an unexcused absence shall be automatically deemed removed. First-time Directors MUST attend the CAR New Director orientation.
- B. The President may excuse an absence if ratified by a majority of the Executive Committee.

PACIFIC WEST ASSOCIATION OF REALTORS®, INC.

POLICIES AND PROCEDURES MANUAL

Section 9. C.A.R. Directors

II. COMPOSITION OF SELECTION OF TASK FORCE

A Task Force shall be appointed by the sitting President, who shall serve as the Chair, and shall include the Immediate Past President, the President-Elect, and four (4) sitting CAR Directors who are not current members of the Association's Board of Directors. The Task Force shall determine whether the applicants meet the applicable criteria and recommend selected candidates to the Board of Directors for approval.

III. CAR DIRECTORS

- A. The Task Force shall not consider any application received after the published due date.
- B. The President, President-Elect, Regional Chair and Assistant Regional Chair (if they are Association members), shall automatically serve as CAR Directors.
- C. The total number of CAR Directors shall not exceed a formula of two (2) Directors per one thousand (1,000) Association members based on membership figures as of April 1, the date used by CAR in determining the number of Association Directors for the following year.
- D. CAR Honorary Directors-For-Life and CAR Committee Chairpersons-elect or Committee Members-Elect may apply for a funded CAR Director position as applicable, provided they complete an application, meet the criteria, and submit for consideration by the published due date.

IV. REGIONAL AND STATE MEETINGS

- A. Must be willing and available to travel to and attend CAR Directors Sessions, including the following:
 1. Three (3) regular meetings each year, on dates and at places to be determined by the CAR Board of Directors; and
 2. Special meetings as may be called by the President of CAR; and
 3. Regional Meetings as called by the Regional Chairperson.
- B. A Director MUST:
 1. Attend the ENTIRE Board of Directors session (no early departures) unless excused IN ADVANCE by the Executive Committee.
 2. Attend all Regional Caucus meetings unless otherwise excused in advance by the Regional Chair.
 3. Attend all meetings of any Committee on which they serve or attend other Committee meetings as assigned by the Regional Chair.
- C. CAR Directors may receive an allotment designed to represent hotel costs, transportation and applicable per diem as approved by the Board of Directors. Individuals are responsible for keeping their own tax records and receipts of travel

PACIFIC WEST ASSOCIATION OF REALTORS®, INC.

POLICIES AND PROCEDURES MANUAL

Section 9. C.A.R. Directors

expenses. ASSOCIATION is required to issue a 1099 form to the Internal Revenue service to report the total of any such payments made during the year.

- D. The Request for Stipend form will be distributed ONLY at the Saturday CAR Director's Meeting, approximately 15-20 minutes prior to the end of the meeting. Directors will be REQUIRED to hand in the form to the Regional Chair BEFORE they leave the meeting. Association prepaid expenses (i.e., advance ticket purchases, dinners, luncheons) will be deducted prior to issuance of any stipend. In addition, if a Director arrives late or leaves a meeting early, with an excuse approved by the Executive Committee, applicable expenses (per diem or hotel) will be deducted from the stipend check.
- E. Association staff will confirm with each Director any lodging needs and will book reservations accordingly. If a Director does not affirmatively confirm their needs by the requested date, no reservations will be booked and the responsibility for securing accommodations will be the responsibility of the Director. Except for the President and President-Elect, Directors are responsible for making their own travel arrangements.

Every effort will be made to secure accommodations at the headquarters hotel(s), however, it cannot be guaranteed this will occur in every instance. Single occupancy lodging shall be budgeted.

Attendance at the annual CAR Expo is optional. If a Director chooses to attend the Expo, it shall be the responsibility of said Director to register and pay any and all related expenses.

Any expenses paid on behalf of the Director by the Association shall be the sole responsibility of the Director.

V. ANNUAL REVIEW

This policy shall be reviewed annually by the Board of Directors (or by a Task Force appointed by the President and approved by the Board of Directors). The amount of funding, if any, shall be considered by the Budget & Finance Committee in its annual budgetary process for recommendation to the Board of Directors, who shall have final authority.

PACIFIC WEST ASSOCIATION OF REALTORS®, INC. POLICIES AND PROCEDURES MANUAL

Section 10. N.A.R. Directors

SECTION 10. N.A.R. DIRECTOR(S)

AUTHORITY

Authorized as per Bylaws.

PURPOSE

Responsible for governing N.A.R. as an elected or appointed member of its policy-making body by the Association.

QUALIFICATIONS

- I. As set forth in the Bylaws of N.A.R.
- II. The following criteria must be met in order to serve as an N.A.R. Director representing the Association:
 - A. The President of the Association shall always serve as an N.A.R. Director during his/her year of service as President.
 - B. Must be a member in good standing of the Association.
 - C. Must be a C.A.R. Director during the term as an N.A.R. Director.
 - D. Must have previous REALTOR® Association experience (e.g., service on committees, task forces, etc.)
 - E. Must be active in real estate on a full-time basis as an agent, manager, or broker/owner. The area of activity may be residential resale, commercial, or property management.
 - F. Must be willing to attend all meetings of the C.A.R. Directors and N.A.R. meetings on an unfunded or partially funded basis.
 - G. Candidates should have good communication skills and be a “people” person.
 - H. Candidates should demonstrate a history of involvement in local, state, and national association activities, although previous involvement is not mandatory.
 - I. It is highly recommended that candidates hold a California Golden “R” indicating their commitment to organized real estate and political involvement.

POLICIES AND PROCEDURES

I. SERVE AS A DIRECTOR OF N.A.R. FOR ONE-YEAR TERM

Membership is set by N.A.R. for a one (1) year term. The individual’s service during the term will be reviewed and the individual may be eligible for reappointment. Vacancies shall be filled by appointment of the President, subject to approval of the Board of Directors.

II. COMPOSITION.

**PACIFIC WEST ASSOCIATION OF REALTORS®, INC.
POLICIES AND PROCEDURES MANUAL**

Section 10. N.A.R. Directors

- A. The Association's President is automatically an N.A.R. Director.
- B. A Selection Task Force appointed by the President selects the remaining Directors from applicants who meet the applicable criteria. The Task Force is chaired by the President-Elect and consists of at least three (3) REALTOR® members in good standing. The Task Force shall review each candidate's application that timely apply in accordance with the established N.A.R. policy and recommend approval to the Board of Directors. Candidates must be approved by the Board of Directors.
- C. Must be willing and available to travel to and attend N.A.R. Directors Sessions.

PACIFIC WEST ASSOCIATION OF REALTORS®, INC. POLICIES AND PROCEDURES MANUAL

Section 11. All Committees

SECTION 11. ALL COMMITTEES

AUTHORITY

Authorized as per Bylaws and/or N.A.R. policies.

MEMBERSHIP AND TERM

All REALTOR® Members in good standing of Association are eligible to serve on Committees, subject to training required, as applicable. Members of Standing Committees for the following year are appointed by the President-Elect and confirmed by the Board of Directors, except as otherwise stated in the Policies and Procedures Manual. Members of Special Committees or Task Forces shall be appointed by the President from among REALTOR® members in good standing and approved by the Board of Directors. The President shall be ex officio non-voting member of all Committees and receive notice of their meetings. If a vacancy shall occur, the President shall make the appointments, subject to confirmation by the Board of Directors. The President shall have power to remove any committee member subject to confirmation by the Board of Directors.

QUORUM

Majority of Committee members unless otherwise stated in the Policies and Procedures Manual.

POLICIES AND PROCEDURES

I. GENERAL OPERATIONAL RULES AND PROCEDURES

- A. Chairperson for the following year shall be selected by the President-Elect, except as otherwise provided in the Bylaws or Policies and Procedures Manual and confirmed by the Board of Directors. If a vacancy shall occur during the year, the appointment shall be made by the President and confirmed by the Board of Directors.
- B. Calls to Association Attorney and C.P.A. must be channeled through the President and/or the Chief Executive Officer.
- C. No Committee may contractually or financially bind or obligate the Association or its membership without the written approval of Board of Directors.
- D. All correspondence, contracts, and advertisements must be directed to the Association business office address to the attention of the Chief Executive Officer.
- E. All correspondence and/or press releases shall be approved by the President and/or the Chief Executive Officer and processed through office staff.
- F. Association stationery shall not be used without the express written permission of the Chief Executive Officer.
- G. If provided by the Association, Committee Chairpersons shall attend an orientation regarding legal duties provided by the Association.
- H. Committee Chairpersons shall abide by and may receive a copy of the following:
 - Association Bylaws
 - Policies and Procedures Manual

PACIFIC WEST ASSOCIATION OF REALTORS®, INC.

POLICIES AND PROCEDURES MANUAL

Section 11. All Committees

- Rules and Regulations of particular Committee, if any
- Conflict of Interest Code

- I. Committee members shall sign the Association's Confidentiality Agreement and Conflict of Interest Code prior to taking office.

II. MEETING CALL AND NOTICE

- A. May be called by the Chairperson, any two Committee members, or the President.
- B. Shall be scheduled through the Association office and held in an Association facility, during normal Association office hours.
- C. Meeting notice is to be sent out by Association staff at least one week prior to meeting. All Committee Chairs and members, including Professional Standards and Grievance, shall have electronic mail capacity in order to receive notices and other information.

III. MEETING ATTENDANCE

- A. Failure by a Committee member to attend three (3) regular or special meetings of their Committee during the calendar year shall be construed as a resignation. An automatic resignation from the Committee takes place at the end of the third absence during the calendar year from regularly or specially scheduled meetings, unless such absence is due to an emergency, such as a death in the immediate family or other valid excuse as defined in the Section on Directors above.
- B. Staff shall maintain a minute notebook filed with the Chief Executive Officer.

IV. REPORTING

All Committee recommendations must be forwarded to the Chief Executive Officer for presentation to Board of Directors for possible action.

V. FISCAL RESPONSIBILITY

- A. Budget proposals should be submitted to the Budget and Finance Committee by September 15th for the following year, or as soon as practical before the end of the third quarter.
- B. Requests for all non-budgeted expenditures must be submitted to the Budget and Finance Committee through the Chief Executive Officer and approved by the Board of Directors.
- C. Approved budgeted requests will be presented to staff for processing.
- D. All motions having a financial impact to the Association must follow the procedure set forth in item B under Fiscal Responsibility.

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Section 12. Grievance Committee

SECTION 12. GRIEVANCE COMMITTEE

AUTHORITY

Standing Committee: Authorized as per N.A.R., C.A.R., and Association Bylaws.

PURPOSE

- I. Review and investigate complaints from members or the public to determine whether or not they warrant a formal hearing, to investigate charges of unethical conduct against Association members, and to present gathered facts to the Professional Standards Committee Panels for adjudication and possible disciplinary action.
- II. The function of the Grievance Committee is to make only such preliminary investigations and evaluation of the complaint as required to determine whether the complaint warrants further consideration by a Hearing Panel of the Professional Standards Committee.
- III. THE GRIEVANCE COMMITTEE DOES NOT CONDUCT HEARINGS AND DOES NOT DETERMINE IF A VIOLATION OF THE CODE OF ETHICS HAS OCCURRED.

QUORUM

Majority of Committee members.

MEMBERSHIP AND TERM

- I. The President shall annually appoint for staggered three (3) year terms, subject to approval by the Board of Directors, between 15 to 25 members, all of whom shall be REALTOR® members in good standing of the Association and participants in the Association's Multiple Listing Service or subscribers.
- II. Members shall be in compliance with the Regulations of the Real Estate Commissioner for one year immediately prior to being appointed and when appointed.
- III. Members shall be licensed by the DRE and such license shall not have been restricted at the time of appointment or one year immediately prior to being appointed.
- IV. Members shall not have been placed on probation by the DRE one year prior to being appointed or when appointed.
- V. Members have not have been sanctioned for a violation of the Code of Ethics within one year immediately prior to being appointed or have sanctions pending during their term.
- VI. The President or President-Elect shall annually designate the Chairperson of the Committee, subject to confirmation by the Board of Directors.
- VII. The Chief Executive Officer or his/her designee shall serve as the Secretary of the Committee.
- VIII. Committee members must have attended a Professional Standards Seminar after appointment to the Grievance Committee and at least every two (2) years.

PACIFIC WEST ASSOCIATION OF REALTORS®, INC.

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Section 12. Grievance Committee

- IX. Committee members shall sign the Association's Confidentiality Agreement and Conflict of Interest Code prior to taking office.

MEETINGS

- I. The Chief Executive Officer and/or his/her designee shall be present at all Committee meetings.
- II. There shall be no restriction on attendance at general business meetings of the Grievance Committee.
- III. Meetings to discuss cases shall be restricted to Committee members, the Chief Executive Officer and/or his/her designee, and/or legal counsel for the Association only.

DUTIES

- I. The Chairperson shall chair the meetings, assign cases and may, at his/her discretion, investigate cases.
- II. In the absence of the Chairperson, the Vice Chairperson shall assume the duties of the Chairperson.
- III. The Chief Executive Officer or his/her designee shall have no voting rights.

POLICIES AND PROCEDURES

I. BYLAWS AND CODE OF ETHICS

As defined in the Bylaws and C.A.R. Code of Ethics & Arbitration Manual, as from time to time amended.

II. MANUAL AMENDMENTS

- A. Section 17 (a), paragraph 2: The Secretary (Chief Executive Officer) or his/her designee shall promptly refer any complaint to the Chairperson of the Grievance Committee.
- B. The Chairperson shall promptly designate one or more members of the Grievance Committee to investigate and gather facts to present to the Grievance Committee to determine whether to:
1. Dismiss the complaint as unworthy of further consideration;
 2. Refer the complaint back to the complainant as appropriate for arbitration rather than disciplinary action; or for amendment, or,
 3. Refer the complaint back to the Secretary (Chief Executive Officer) or his/her designee for the setting of a hearing.

PACIFIC WEST ASSOCIATION OF REALTORS®, INC.

POLICIES AND PROCEDURES MANUAL

Section 13. Professional Standards Committee

SECTION 13. PROFESSIONAL STANDARDS COMMITTEE

AUTHORITY

Standing Committee: Authorized as per N.A.R., C.A.R. and Association Bylaws.

PURPOSE

- I. Responsible for enforcement of the N.A.R. Code of Ethics, Multiple Listing Service Rules and Association Bylaws or Rules through a hearing and entry of an award by the Professional Standards panel, but does not include conversion into a collection of a civil court judgment.
- II. Provides procedures for enforcement of the N.A.R. Code of Ethics, Multiple Listing Service Rules and Association Bylaws or Rules.
- III. Provides hearings for alleged violations of the N.A.R. Code of Ethics, Multiple Listing Service Rules and Association Bylaws or Rules.
- IV. Provide arbitration hearings pursuant to N.A.R. Code of Ethics Article 17 disputes between REALTORS® or REALTOR® and their clients.

QUORUM

I. COMMITTEE MEETINGS

Majority of Committee members.

II. HEARINGS

Hearings are “on call.” Hearing tribunals are defined in the C.A.R Code of Ethics and Arbitration Manual.

MEMBERSHIP AND TERM

- I. The President shall annually appoint for staggered three (3) year terms, subject to approval by the Board of Directors, as many members as are necessary, all of whom shall be REALTOR® members. Presently this Committee ranges from 80 to 110 members.
- II. Members must have served on the Grievance Committee.
- III. Committee members must have attended a Professional Standards Seminar after appointment to the Grievance Committee and at least every two (2) years.
- IV. Members shall be in compliance with the Regulations of the Real Estate Commissioner for one year immediately prior to being appointed and when appointed.
- V. Members shall be licensed by the DRE and such license shall not have been restricted at the time of appointment or one year immediately prior to being appointed.
- VI. Members shall not have been placed on probation by the DRE one year prior to being appointed or when appointed.

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Section 13. Professional Standards Committee

- VII. Members have not have been sanctioned for a violation of the Code of Ethics within one year immediately prior to being appointed or have sanctions pending during their term.
- VIII. Members shall be licensed by the DRE and in compliance with the Regulations of the Real Estate Commissioner when appointed.
- IX. Members shall be licensed by the DRE and in compliance with the Regulations of the Real Estate Commissioner for one year immediately prior to being appointed.
- X. Members have not been sanctioned for a violation of the Code of Ethics within one year immediately prior to being appointed nor have sanctions pending during their term.

POLICIES AND PROCEDURES

I. BYLAWS AND CODE OF ETHICS

As defined in the Bylaws and *C.A.R. Code of Ethics & Arbitration Manual*, as from time-to-time amended.

II. CONFIDENTIALITY

Committee members shall sign the Association's Confidentiality Agreement and Conflict of Interest Code prior to taking office and on an annual basis thereafter.

III. APPROVED BY BOARD OF DIRECTORS

Any additional policies, procedures, forms or regulations shall not conflict with this Manual and shall be presented to the Board of Directors or their designee for approval prior to implementation.

IV. FEES

Association may charge the maximum fees allowed as outlined in the most current *N.A.R. Code of Ethics and Arbitration Manual* and *C.A.R. Code of Ethics and Arbitration Manual* for filing fees, review fees, administration fees, continuance fees, tape copying fees, photocopying fees and other applicable fees.

V. CONTINUANCE FEE

The hearing panel may, in its discretion, charge a continuance fee of \$150.00.

VI. ARBITRATION/ETHICS REVIEW HEARING FEE

The filing fee for an arbitration review hearing or ethics review hearing is \$500.00.

VII. ARBITRATION FILING FEE

The arbitration filing fee is \$500.00.

VIII. ARBITRATION AWARD ENFORCEMENT

Neither NAR nor CAR has a policy requiring a local Association of REALTORS® to enforce arbitration awards or accept and process ethical complaints for failure of the respondent to pay an arbitration award. Local Associations of REALTORS® are free to decide whether to

**PACIFIC WEST ASSOCIATION OF REALTORS®, INC.
POLICIES AND PROCEDURES MANUAL**

Section 13. Professional Standards Committee

establish such policies and procedures. The Board of Directors of Association has elected to establish this policy that the Association's responsibility ends upon the rendering of an award by the Professional Standards Panel, and any request for Board of Director review. The Association will not accept Disciplinary Complaints by the recipient of an arbitration award (whether or not confirmed as a judgment entered by a civil court) against the opposing party for failure to comply with the arbitration award or judgment. Nothing in this policy and procedure will prevent the Association from accepting and processing Disciplinary Complaints deemed by it to be appropriate by the Grievance Committee under Article 14 of the NAR Code of Ethics. (Date of implementation, June 2, 1010.)

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Section 14. Mediation/Ombudsman Committee

SECTION 14. MEDIATION/OMBUDSMAN COMMITTEE

AUTHORITY

The Mediation/Ombudsman committee is a special committee authorized by the Association's Bylaws and by the Board of Directors.

PURPOSE

- I. Conduct mediation and/or ombudsman activities in accordance with procedures established in PWR Mediation Manual and California law.
- II. Provide ongoing training to members of the Committee to maintain the desired high level of standards.
- III. Inform Association members of the benefits of mediation.
- IV. Provide mediation and/or ombudsman services and information to the members of PWR, and, in time to members of the Commercial Association, to the general public, and to other associations.

QUALIFICATIONS

- I. Members of the Committee will be designated by the Mediation/Ombudsman Committee Chair, confirmed by the President, and will be required to receive approved training prior to serving as a mediator. Mediators shall hold a current Broker's license or be a REALTOR ®/Attorney.
- II. Approved training, qualifications and standards required for members to become a mediator are as follows:
 - A. A minimum of five (5) years of experience in real estate.
 - B. Prior ethics or arbitration experience as demonstrated by service on a Professional Standards Committee for a period of at least three (3) years. Comparable experience may be substituted at the discretion of the Committee, and will qualify the person as a member upon approval and confirmation by the PWR President and Board of Directors.
 - C. Must have previously served as a panelist in at least five (5) ethics and/or arbitration hearings for Professional Standards. Each mediator shall have chaired at least two (2) ethics and/or arbitration panels for Professional Standards and shall be thoroughly familiar with the California Code of Ethics and Arbitration Manual, and the PWR Mediation Manual.
 - D. Have strong communication skills. In dealing with people, the mediator/ombudsman shall demonstrate essential tact and diplomacy, as well as the ability to keep calm under pressure.
 - E. Training will consist of approved practical and classroom mediation or ombudsman training.

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Section 14. Mediation/Ombudsman Committee

III. Levels of Mediator Experience

- A. Senior Certified Mediator: A mediator who has conducted five (5) or more mediation conferences on a professional basis; who has been a member of the Mediation/Ombudsman Committee for a minimum of two (2) years; and who has a minimum of twenty (20) hours of lecture and discussion classroom training.
- B. Certified Mediator: A mediator who has completed the approved training; who has met the qualifications and standards criteria; and who has conducted fewer than five (5) mediation conferences.

MEMBERSHIP AND TERM

- I. The Mediation/Ombudsman Committee shall be composed of no fewer than eight (8) members, each of whom shall serve a minimum term of three (3) years. Terms should be staggered for purposes of continuity.
- II. Absence from a mediation conference previously committed to, or absence from two (2) or more consecutive Mediation /Ombudsman Committee meetings, without excuse or just cause acceptable to the Chair, is grounds for removal from the Mediation/Ombudsman Committee, upon approval of the Board of Directors.
- III. No Committee member shall be appointed to serve as a mediator if an ethics complaint has been formally filed against such member and is pending. This section shall not apply to a committee member who is a designated broker or an office manager, where the complaint is solely against an agent under the broker's or manager's supervision, provided the complaint is not against such member as a respondent in the alleged ethics violation. This paragraph shall not apply once the ethics file has been closed.
- IV. Any Committee member who has been found in violation of the Code of Ethics may, after the decision is final, be immediately terminated as a Committee member. The Chair and Vice-Chair shall review the facts and shall recommend appropriate action to the Board of Directors.

POLICIES AND PROCEDURES

I. CONDUCT OF MEDIATION CONFERENCE

- A. All members conducting or observing mediation or ombudsman conferences have an obligation to maintain and protect the confidentiality of the proceedings and deliberations before, during, and after the process.
- B. Staff will notify the Chair when pending cases need to be scheduled for mediation and /or ombudsman conferences. The Chair may select or may delegate to staff the selection of the member or members who are to serve as mediator(s). Ombudsman shall be specially trained and designated in accordance with policies adopted.

II. COMMITTEE MEETINGS

- A. Meetings shall be conducted in accordance with PWR Bylaws, PWR Rules, and Robert's Rules of Order
- B. A full Mediation/Ombudsman Committee membership meeting will be held as is reasonably needed at PWR headquarters, unless otherwise approved by the CEO.

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Section 14. Mediation/Ombudsman Committee

III. QUORUM

A majority of committee members must be present to constitute a quorum for Mediation/Ombudsman Committee meetings.

IV. BUDGET

An annual budget shall be submitted to the Budget & Finance Committee within the Timeframe (approximately September). Any requests for additional budget considerations shall be submitted to the Budget & Finance Committee Chairperson for review and approval by the Budget & Finance Committee

V. INSURANCE

The Pacific West Association of REALTORS® shall carry errors and omissions insurance for all current members of the Mediation/Ombudsman Committee, for their committee work only. In lieu of such insurance, the Association shall indemnify and hold harmless all Mediation/Ombudsman Committee members acting as mediators or ombudsman for the Association's process.

VI. QUALITY MAINTENANCE

To assure the continued high quality of mediation or ombudsman services, members shall keep updated on the following:

- A. PWR Association Bylaws;
- B. PWR MLS Rules and Regulations;
- C. The California Association of REALTORS® Code of Ethics and Arbitration Manual; and,
- D. Other relevant materials.

VII. DISCRETION TO DECLINE HEARING

The Mediation/Ombudsman Committee may, at its discretion, decline to hear any dispute that it determines is either too complex in nature, or in which the amount is so great as to expose the Association to undue liability, or where it is known that a criminal (or in some instances a civil cases) concerning the parties to the matter is pending.

VIII. FORMAT CHANGE

Any committee format or change in committee format shall be submitted to the Board of Directors for approval in advance of the implementation.

IX. EXPENSES

Any Committee Chair or committee member designee appointed by the Committee requesting expenses for any committee activity shall submit the request to the Budget and Finance Committee to justify such request.

PACIFIC WEST ASSOCIATION OF REALTORS®, INC.

POLICIES AND PROCEDURES MANUAL

Section 15. Budget and Finance Committee

SECTION 15. BUDGET AND FINANCE COMMITTEE

AUTHORITY

Standing Committee: Authorized as per Association Bylaws.

PURPOSE

- I. Identify issues affecting Association needs.
- II. Identify forces that may affect the Association's financial resources.
- III. Develop the annual budget incorporating the goals set during the Board of Directors Strategic Planning Retreat.
- IV. Propose annual schedule of dues and fees.
- V. Regularly review Association's financial position and accounts.
- VI. Keep abreast of the Association's tax consequences and plan to minimize tax liability.

QUORUM

Majority of Committee members.

MEMBERSHIP AND TERM

- I. The Budget and Finance Committee shall be composed of the Secretary/Treasurer, President-Elect, and immediate past Secretary/Treasurer and eight (8) committee REALTOR® members in good standing appointed by the President-Elect and approved by the Board of Directors.
- II. No more than two (2) of the committee members may be current Board of Director members. The Director members shall each serve a one (1) year term.
- III. The non-Director members will be appointed for staggered three-year terms and may serve no more than two (2) consecutive three-year terms.
- IV. The Board of Directors will review the committee member participation annually.
- V. The Secretary/Treasurer shall serve as the Chairperson.
- VI. The President-Elect shall appoint the Vice Chair, subject to confirmation by the Board of Directors, after consultation with the incoming Secretary-Treasurer.

POLICIES AND PROCEDURES

- I. Review, on a monthly basis or as needed, the Association's financial position and accounts.
- II. Review financial reports prior to presentation to the Board of Directors at its meetings.
- III. Propose annual schedule of dues and fees.

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POLICIES AND PROCEDURES MANUAL

Section 15. Budget and Finance Committee

- IV. Prepare the proposed Annual Budget, after consultation with the Vice President of Finance and Administration and Chief Executive Officer, for efficient utilization of financial resources and incorporating the goals set during the Board of Directors Strategic Planning Retreat prior to submission to the Board of Directors. Keep notes on all line items to enable Directors to determine how budget amounts were derived.
- V. Review unbudgeted financial requests and make recommendations to the Board of Directors for adjustments required in the total budget and the impact thereon.
- VI. Review with Association's CPA the annual audit and the financial condition of the Association prior to presentation to the Board of Directors .
- VII. Review Association's compliance with the Association's investment procedures and current policies:

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Section 17. Multiple Listing Service Committee

SECTION 17. MULTIPLE LISTING SERVICE COMMITTEE

AUTHORITY

Standing Committee: Authorized as per Association Bylaws.

PURPOSE

To investigate and report to the members on issues relating to the multiple listing service, its rules and technology.

QUORUM

Majority of members.

MEMBERSHIP AND TERM

- I. The President-Elect shall annually appoint for one (1) year terms, subject to approval by the Board of Directors, twelve (12) members, all of whom shall be REALTOR® members in good standing of the Association and participants in the Association's Multiple Listing Service or subscribers.
- II. No REALTOR® for which a Participant has filed a Certification of non-use under Section 5.1.6 or other applicable section of the California model MLS Rules, may serve on the MLS Committee.
- III. The President-Elect shall appoint (subject to approval by the Board of Directors), two (2) members of the Committee to serve on the SoCal MLS Board of Directors (one as a Director and one as an alternate) for a one-year term. In addition, the President-Elect shall also appoint two members of the Committee to serve on the SoCal MLS Steering Committee for a one-year term. (7/06).

POLICIES AND PROCEDURES

- I. The President shall select the Chairperson from among the Committee members.
- II. Shall make recommendations to the Board of Directors and investigate matters assigned to it by the Board of Directors.
- III. Shall supervise the operation and activities of the MLS in accordance with the Rules and Regulations, subject to approval of the Board of Directors of the Association.
- IV. The Board of Directors has approved a citation policy that may be modified from time to time.

OPERATIONAL POLICIES

- I. Listing input fees (association load or reciprocal loaded into other MLSs) shall be \$25.00 (10/05)
- II. A \$10.00 fee be implemented for agents who "broker load" their listings and then submit change(s) to Association staff to enter. The \$10.00 fee will be assessed "per change" and will not apply in areas that only Association staff can change. (10/05)

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Section 17. Local Government Relations Committee

SECTION 17. LOCAL GOVERNMENT RELATIONS COMMITTEE

AUTHORITY

Standing Committee: Authorized as per Association Bylaws. Nothing contained herein shall prevent the Association from naming a Government Affairs Director.

PURPOSE

- I. Develop programs to keep Association members informed and updated on National, State, and local rules, bills (pending and enacted) and legislation.
- II. Coordinate communication between the Association membership and Federal, State, and local legislators, governmental agencies and regulatory entities.
- III. Promote exchange of information and Association membership involvement at all levels of government on issues affecting the membership and ownership of private real property.

QUORUM

Majority of members.

MEMBERSHIP AND TERM

The President-Elect shall annually appoint for one (1) year terms, subject to approval by the Board of Directors, a total of three (3) members of the Committee, being the Chairperson, a Vice Chairperson for Los Angeles County and a Vice Chairperson for Orange County, and as many volunteer REALTOR® members as from time to time deemed necessary by the Chairperson.

POLICIES AND PROCEDURES

As set forth under All Committees above.

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POLICIES AND PROCEDURES MANUAL

Section 18. Nominating Committee

SECTION 18. NOMINATING COMMITTEE

AUTHORITY

Temporary Committee: Authorized as per Association Bylaws.

PURPOSE

To study, investigate, and present to the REALTOR® members of the association a slate of REALTOR® candidates duly qualified to serve on the Board of Directors for the terms as set forth in the Bylaws.

QUORUM

Any action requires a minimum of five (5) votes.

MEMBERSHIP AND TERM

- I. The President shall appoint, at least sixty (60) days before the election, subject to approval by the Board of Directors, nine (9) members, all of whom shall be REALTOR® members in good standing of the Association.
- II. No member of the Committee may be a candidate for any elective office.
- III. No member of the Committee may petition a directorship and shall not be considered for nomination by the Committee.
- IV. The Chairperson shall be the President-Elect.
- V. Any vacancy shall be filled by the President and approved by the Board of Directors.
- VI. No more than three (3) Committee members from the same broker-owned office or firm shall simultaneously serve on the Committee.
- VII. Committee shall remain intact to perform the same services for any special elections of Officers and/or Directors that may be necessary or required, per Bylaws.

MEETINGS

- I. As required to select one (1) candidate for each Director vacancy.
- II. The President and Chief Executive Officer should be available to advise, but shall not participate during any deliberations regarding a possible slate.

POLICIES AND PROCEDURES

- I. The Nominating Committee shall work independently from the Board of Directors.
- II. All notices and reports in connection with the election may be accomplished by personal delivery, first class mail, facsimile, electronic mail or other electronic means.

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Section 18. Nominating Committee

- III. The Committee shall seek qualified candidates for Board of Directors in the candidate selection process, and shall verify qualifications of all candidates to determine their eligibility and that all nominated individuals meet the qualifications as set forth in Article X, Section 5.1 of the Bylaws, as follows:
- Member in good standing for one (1) year prior to being seated
 - No more than three (3) members from the same broker-owned office, firm, partnership or corporation is allowed to serve at the same time
 - No person may be nominated unless he/she meets all qualifications for office at the beginning of the term for which he/she is a nominee
 - No person may be a candidate for more than one position whether nominated by the nominating Committee or by petition.

Candidates are strongly encouraged, at a minimum, to make a \$148.00 “true cost of doing business” contribution to the C.A.R. Political Action Fund.

- IV. The Committee shall review all applications submitted and petitions and consider each application and petition submitted by REALTOR® members desiring to be a candidate. The Committee shall review nominations by petition to confirm that the petition is signed by at least one percent (1%) of the REALTOR® members eligible to vote, that the petition was filed with the Secretary/Treasurer at least three (3) weeks before the election, and that a list of nominations by petition is posted in the Association office and on its website or otherwise made available or communicated to all members eligible to vote at least two (2) weeks before the election.
- V. No person shall be nominated unless he/she will meet all of the qualifications for the office at the beginning of the term for which he/she is a nominee.
- VI. THE BOARD OF DIRECTORS SHOULD REFLECT THE ASSOCIATION'S COMMITMENT TO ETHNIC AND CULTURAL DIVERSITY AS WELL AS PROPERLY APPORTIONED GEOGRAPHICAL REPRESENTATION. THE NOMINATING COMMITTEE SHALL STRIVE TO SELECT CANDIDATES THAT REFLECT THE BROAD CONSTITUENCY OF THE MEMBERSHIP.
- VI. The Committee shall interview the Board of Director applicants and make one recommendation for each position to be filled, and two (2) of the candidates for a one (1) year term shall be REALTOR® members who have never previously served on any Association of REALTORS® Board of Directors.
- VIII. The Committee Chairperson shall deliver a slate of candidates of the Nominating Committee to the Board of Directors. The Slate of the Nominating Committee shall be communicated to all voting members in accordance with the Bylaws at least four (4) weeks prior to the election date.
- IX. Members shall keep all discussions, deliberations and decisions of the Committee completely confidential.
- X. A sample timeline for the nomination/election process shall be prepared on an annual basis. A sample follows:
- A. Board of Directors sets election date: March Board of Directors meeting
 - B. Notification of application period: March 1
 - C. Deadline for application submissions: Last Friday of March at 5:00 p.m.

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Section 18. Nominating Committee

- D. President recommends Nominating Committee members to Board of Directors: March Board of Directors meeting
- E. First meeting of Nominating Committee: First week of April
- F. Candidate selection completed by: Last week of April
Slate of Candidates submitted for publication in May
- G. Petition Candidates submit petition signed by at least 1% of REALTOR® members eligible to vote: Second Friday in May
- H. Notice to membership of petition candidates: At least two (2) weeks prior to election.
- I. Pictorial and biographical candidate slate posted on Website.

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Section 19. Election Committee

SECTION 19. ELECTION COMMITTEE

AUTHORITY

Temporary Committee: Authorized as per Association Bylaws to be convened in May each year.

PURPOSE

Conduct elections, tabulate results, and notify nominees and instructs staff to notify membership of election results, all in accordance with Association Bylaws.

QUORUM

Majority of Committee members.

MEMBERSHIP AND TERM

- I. The President shall appoint, at the May meeting of the Board of Directors, for one (1) year terms, subject to approval by the Board of Directors, three (3) or more REALTOR® members in good standing of the Association who are not candidates for any elective office.
- II. Members should not have a direct personal involvement in the results of the vote.
- IV. No member of the Election Committee may be a candidate of the Board of Directors.
- V. The Chairperson is appointed by the President with the approval of the Board of Directors.

GENERAL ELECTION GUIDELINES AND RULES

I. CONDUCT OF CANDIDATES FOR OFFICE

A. Candidates may:

1. Campaign at their own expense.
2. Distribute flyers in accordance with election rules.
3. Distribute biographic information and photographs in accordance with rules and procedures governing all candidates as promulgated by the Election Committee and/or the Board of Directors, all in accordance with the Association's Bylaws.

B. Candidates may not:

1. Use Association mailings, supplies, or staff time.
2. Place flyers or petitions on Association counter.
3. Campaign at Association functions, events or trade shows, unless such campaigning is a part of a candidate's forum approved by the Board of Directors.

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Section 19. Election Committee

II. BALLOT

- A. Elections are currently held by electronic ballot.
- B. The ballot shall contain the names of all candidates and specify the Director position for which each person is nominated.
- C. The sequence of names on the ballot shall be the Nominating Committee's Slate of Candidates first in alphabetical order, followed by the petition candidates, in alphabetical order.
- D. There shall be no proxy or cumulative votes.
- E. In the event of a tie vote, the winner will be determined by a majority of the remaining members of the Board of Directors then in office, excluding any Director seeking re-election who is the subject of the tie vote.
- F. Ballots in connection with the election may be accomplished by personal delivery, first class mail, facsimile, electronic mail or other electronic means.

III. REPORTING THE VOTE

Upon completion of tabulation, a report shall be prepared and given to the CEO.

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Section 20. SoCal MLS Directors

SECTION 20. SOCAL MLS DIRECTORS

AUTHORITY

Authority: SoCal MLS Bylaws and SoCal Shareholder Agreement

MEMBERSHIP AND TERM

Each SoCal MLS Shareholder Association is entitled to one director and one alternate director. SoCal MLS Directors are appointed to a one-year term. Term begins on January 1 of each year.

APPOINTMENT

Prior to the Annual SoCal MLS shareholder's meeting, the P.W.R. President-Elect shall appoint, subject to approval of the Board of Directors, one REALTOR® member of the Association to serve on the SoCal MLS Board of Directors for a one (1) year term. The President-Elect shall also appoint one (1) alternate non-voting Director who may be called upon to vote in the absence of the voting Director. The Alternate shall serve a term of one (1) year. All representatives shall be REALTOR® members in good standing of the Association and a participant or subscriber in the Association's Multiple Listing Service. The Policies and Procedures shall apply to both Director and alternate.

POLICIES AND PROCEDURES

- I. The Director and alternate serves at the pleasure of the President and Board of Directors of PWR and provides a report of said meeting to PWR's Board of Directors unless restricted by law or privilege.
- II. Absent excuse, as that term is defined in this Manual, each Director appointed shall attend all regular and specially called SoCal MLS Director meetings, including, but not limited to, SoCal's annual retreat.
- III. The Director or alternate shall take all recommendations of the Pacific West Board of Directors for changes/revisions to SoCal MLS policies or procedures to the SoCal MLS Board of Directors. The Representative is encouraged not to speak or vote against a recommendation brought by the Association's Board of Directors.
- IV. The Director and alternate must be a member of the P.W.R. MLS Committee.

PACIFIC WEST ASSOCIATION OF REALTORS®, INC. POLICIES AND PROCEDURES MANUAL

Section 21. rPartner

SECTION 21. rPARTNER

AUTHORITY

Association Division: Authorized per Board of Directors

PURPOSE

- I. Responsible for developing and maintaining corporate product resale accounts for the purpose of providing additional non-dues income streams for the Association and lowering cost to PWR's membership.
- II. Responsible for developing and maintaining various Association management opportunities, from full management of other associations to managing various duties or departments for other like minded associations.
- III. Provides internal software development support for Pacific West, developing and maintaining network and software systems enhancing the customer service capabilities of Pacific West.
- IV. Develop and maintain association software sales accounts, taking internal software development to package for resale to other associations. Maintain support systems to service accounts that have purchased products from rPartner.
- V. Develop and maintain sales team to actively market and sell private labeled technology products to both PWR's membership and to other REALTOR® associations for sales to their membership.

PACIFIC WEST ASSOCIATION OF REALTORS®, INC. POLICIES AND PROCEDURES MANUAL

Section 22. Charity Foundation

SECTION 22. CHARITY FOUNDATION

The Association formed a corporation named Pacific West Association of REALTORS® Charity Foundation, Inc. (the "Foundation"). The Foundation is a nonprofit public benefit corporation and is not organized for the private gain of any person. The Foundation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code and under the California Nonprofit Public Corporation Law for charitable purposes, specifically to establish an organization to raise and administer funds and assets that are raised, donated, bequeathed, or devised by any lawful manner in order to provide persons or organizations with monies, professional assistance, and assets for student loans, student scholarships, grants to students, housing needs, neighborhood improvements in blighted or run-down areas or other housing-related goals, or other lawful purposes approved by the Board of Directors of the Foundation.

No substantial part of the activities of the Foundation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of any candidate for public office.

The officers of the Foundation shall be a President, a Vice-President, a Secretary and a Chief Financial Officer. The President, the Vice-President, the Secretary, and the Chief Financial Officer shall initially be chosen by the Board of Directors of the Association. Thereafter, the President and the Vice-President shall be chosen by the Board of Directors in accordance with the Bylaws. The elected officers shall serve until their successors are appointed and qualified. Vacancies shall be filled by the Board of Directors for the unexpired term of the office vacated, as provided in the Foundation's Bylaws. The officers of this corporation, like the directors, shall serve without compensation.

The President, the Vice-President, the Secretary, and the Chief Financial Officer shall have authority to and shall discharge the duties ordinarily conferred upon and discharged by the President, the Vice-President, the Secretary, and the Chief Financial Officer of a corporation until such time as the Board of Directors shall limit, enlarge, or otherwise prescribe the authority and duties of the offices. There shall be no less than five (5) directors and no more than fifteen (15) directors, as is more specifically set forth in the Bylaws.

The Property of the Foundation is irrevocably dedicated to charitable purposes and no part of the net income or assets of the corporation shall ever inure to the benefit of any director, officer, or member thereof, or to the benefit of any private person. Upon the dissolution or winding up of the Foundation, its assets remaining after payment, or provision for payment, of all debts and liabilities of this corporation shall be distributed to a nonprofit fund, foundation, or corporation which is organized and operated exclusively for charitable purposes and which has established its tax-exempt status under IRC Section 501(c)(3).

The initial principal office of the Foundation will be located at 702 Town and Country Road, Orange, California. Thereafter, the principal office may be located at a place within the County of Orange or as approved by the Board of Directors.

The Foundation shall have no members as that term is defined in Section 5056 of the California Nonprofit Public Benefit Corporation Law. All rights or actions which would otherwise vest in the members shall vest in the Board of Directors of the Foundation and the Board of Directors of the Association.

PACIFIC WEST ASSOCIATION OF REALTORS®, INC. POLICIES AND PROCEDURES MANUAL

Section 23. Strategic Planning Committee

SECTION 23. STRATEGIC PLANNING COMMITTEE

AUTHORITY

The Strategic Planning Committee is a special (*standing) committee authorized by the Association's Bylaws and by the Board of Directors.

(*Note: Not currently in Bylaws as a standing committee.)

PURPOSE

Develop a formalized strategic planning process that will identify the vision, the mission and the core values of the Association and create methods to monitor and update the plan as required.

QUORUM

Majority of members.

MEMBERSHIP AND TERM

The President shall annually appoint, subject to approval by the Board of Directors, the following members of the Strategic Planning Committee:

- a. Chairman, who shall be the President-Elect
- b. Budget & Finance Chairman (or their designee) (who shall serve a one-year term)
- c. Three (3) members of the Board of Directors (who shall serve a one-year term)
- d. Four (4) REALTOR® members (who shall serve staggered 3-year terms)
- e. Four (4) staff members, to include the CEO and EVP
- f. Two (2) facilitators (one internal, one external, as needed)
- g. President shall be ex-officio

POLICIES AND PROCEDURES

I. CREATE /UPDATE/REVIEW VISION AND MISSION STATEMENT

- A. Vision statement – a compelling description of how the organization will or should operate at some point in the future and how customers or members are benefiting from the organization's products and services.
- B. Mission statement – a brief written description of the purpose of the organization. Could include a value statement that lists the overall priorities in how the organization will operate. A value statement could focus on moral values (how people ought to act, for example, honesty, integrity, respect, etc.), or operational values which suggest overall priorities for the organization, for example, to expand market share, increase efficiency, increase membership. Operational values could be considered strategic goals.

II. STRATEGIC ANALYSIS

- A. Consider an environmental scan (e.g., political, social, economic or technical environment). Consider driving forces in the environment, for example, increasing competition, changing demographics, and market forces that might affect the organization.
- B. Consider a SWOT analysis (strengths, weaknesses, opportunities and threats) regarding the organization.

PACIFIC WEST ASSOCIATION OF REALTORS®, INC.

POLICIES AND PROCEDURES MANUAL

Section 23. Strategic Planning Committee

III. SET STRATEGIC DIRECTION AND BUSINESS OBJECTIONS

- A. Based on analysis and alignment to the overall mission of the Association, establish a set of goals that build on strengths to take advantage of opportunities, while building up weaknesses and warding off threats. Goals and objectives should be SMARTER:
- Specific.** For example, it's difficult to know what someone should be doing if they are to pursue the goal to "work harder". It's easier to recognize "write a paper."
- Measurable.** It's difficult to know what the scope of "write a paper" really is. It's easier to appreciate that effort if the goal is "write a 30-page paper."
- Acceptable.** If I'm to take responsibility for pursuit of a goal, the goal should be acceptable to me. For example, I'm not likely to follow directions of someone telling me to write a 30-page paper when I have five other papers to write. However, if you involve me in setting the goal so I can change other commitments or modify the goal, I'm much more likely to accept pursuit of the goal as well.
- Realistic.** Even if I do accept responsibility to pursue a goal that is specific and measurable, the goal won't be useful to me or others if, for example, the goal is to "write a 30-page paper in the next 10 seconds."
- Time Frame.** It may mean more to others if I commit to a realistic goal to "Write a 30-page paper in one week (or 30 days, or.....)"
- Extending.** The goal should stretch the performer's capabilities. For example, I might be more interested in writing a 30-page paper if the topic or the way that I write it will extend my capabilities.
- Rewarding.** I'm more inclined to write the paper if the paper will contribute to an effort in such a way that I might be rewarded for my effort.
- B. Establish strategies to reach goals (or methods to reach the goals) chosen, depending on affordability, practicality and efficiency. Strategies/goals should specify who is responsible for achieving each result.
- C. Establish objectives along the way to achieving goals. Objectives are selected to be timely and indicative of progress toward goals.
- D. Associate responsibilities and timelines with each objective. Responsibilities are assigned, including for implementation of the plan, and for achieving various goals and objectives. Ideally, deadlines are set for meeting each responsibility.
- E. Budgets should be included in the plan to specify the resources needed to implement. Budgets should depict how the money will be spent, for example, people, materials, technologies, etc.
- F. Write the final plan and communicate it to the key stakeholders (committee members, Board of Directors, staff, members, etc.).

IV. ONGOING PROCESS

- A. Update the plan annually, including updated plan budget(s), and present to the Board of Directors at their fall planning retreat (see I, II and III).
- B. Regularly collect feedback from key stakeholders.
- C. Do regular review of plan implementation, assess if goals are being achieved or not. If not, were goals realistic? Do responsible parties have the resources necessary to achieve the goals and objectives? Should goals be changed? Should more priority be placed on achieving the goals? What needs to be done?

COMMITTEE MEETINGS

- I. The Committee shall meet as required to accomplish its mission.

**PACIFIC WEST ASSOCIATION OF REALTORS®, INC.
POLICIES AND PROCEDURES MANUAL**

Section 23. Strategic Planning Committee

- II. An off-site planning retreat may be scheduled each year, utilizing either an internal or external facilitator (or both). A retreat budget shall prepared and submitted to the Budget & Finance Committee for review and recommendation to the Board of Directors for approval.

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Section 24. Young Professionals Network

SECTION 24. YOUNG PROFESSIONALS NETWORK

AUTHORITY

Standing Committee: Authorized as per Association Bylaws.

PURPOSE

I.

II.

III.

QUORUM

Majority of Committee members.

MEMBERSHIP AND TERM

I. The Young Professionals Committee shall be composed of

II.

III.

IV. The Board of Directors will review the committee member participation annually.

POLICIES AND PROCEDURES

I.

II.

III. Propose annual schedule of dues and fees.

PACIFIC WEST ASSOCIATION OF REALTORS®, INC.

POLICIES AND PROCEDURES MANUAL

Section 25. Financial Policies

SECTION 25. FINANCIAL POLICIES

A. INVESTMENT POLICY AND GUIDELINES

• OVERVIEW

This policy sets forth the objectives, responsibilities and investment strategies for the management of the Association's **cash funds**.

• OBJECTIVES

- **Safety** - Use of sound investment vehicles that are adequately diversified to limit exposure to changing economic conditions while maximizing principal capability.
- **Yield** - Achieve a rate of return equal to or in excess of competitive indices of like-minded fixed income portfolios and greater than the average balanced, growth and value mutual funds as published in the Investors Business Daily.
- **Liquidity** – The investment portfolio shall remain sufficiently liquid to meet the Association's ongoing withdrawal needs. Paper losses may be sustained due to negative interest rate environments and short-term erosion of market values.
- **Diversification** – The investment portfolio shall diversify to avoid incurring unreasonable and avoidable risks regarding any individual security, industry group, specific security type, and market fluctuation.

• RESPONSIBILITIES

• BOARD OF DIRECTORS

- Approval of the Association's investment objectives as developed and recommended by the Budget & Finance Committee
- Approval of control procedures in handling and monitoring investment activities

• BUDGET & FINANCE COMMITTEE

- Develop and implement investment objectives and develop investment guidelines for approval by the Board of Directors
- Monitor performance of investments to insure adherence to investment objectives and guidelines
- Recommend investment risk balance
- Select and monitor performance of Investment Management Firm used for the investment balances
- Monitor the cash position and liquidity of the Association

• INVESTMENT MANAGER

- Report investment results monthly to the Budget & Finance Committee and at each meeting of the Board of Directors
- Perform investment purchases within guidelines and policies
- Selection of investment vehicles with authorized holding company, i.e. Charles Schwab

• INVESTMENT MANAGEMENT

• INVESTMENT FUNDS

The investment management firm as designated by the Budget & Finance Committee and approved by the Board of Directors is responsible for management of the investment funds.

PACIFIC WEST ASSOCIATION OF REALTORS®, INC.

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Section 25. Financial Policies

- **OPERATIONAL**

Managed by the Budget and Finance Committee, approved by the Board of Directors and implemented by the Association's Vice President of Finance and Administration.

Allowable investments for the Association:

The Association should be invested primarily in fixed income (Class 5) through a variety of fixed income type investments that meet association guidelines for safety, yield, liquidity, and diversification as described in the objectives section. In addition, the Association guidelines allow for investment in mutual funds that include stocks, (Class 3 High Quality Growth and Class 4 Total Return) as well as mutual funds that move in opposite direction of the stock or bond markets (Class 2). To a more limited degree, individual preferred stocks or common stocks with strong dividend yield are allowed. Each investment category is described below with limitations regarding both ratings and size of investments within the portfolio. Any exceptions to this policy need to be approved by the Budget and Finance Committee.

CLASS 5 (Fixed Income)

- Money Market Funds (Can include but not limited to repurchase agreements and sweep arrangements). There is no limit to amounts that can be in money market at any one time. If cash flow requirements necessitate additional cash for operations or capital investment, money market is the appropriate investment. Money market is not normally the best place for longer term investment.
- CDs – invested only in Banks and/or Savings and loans (with a maximum covered by FDIC insurance) that maintain a net worth ratio (net worth divided by assets) of at least 4 percent. Rates of return should exceed average rates published in daily newspapers (Wall Street Journal, Investor's Business Daily, etc). Investment term should be no more than two years.
- U.S. Treasury Bills. While this type of investment is very secure, it is likely not the best return for the Association, given other fixed income alternatives.
- Commercial Paper rated A1/P1 or A2/P2 (the highest rating available). For short term needs.
- U.S. Government Agency bonds. These bonds are extremely safe but their return is likely less than other fixed income alternatives. If market yields make these bond yields competitive, there is no limit to the amount that can be invested.
- U.S. Corporate Bonds can be purchased individually as long as there is an equivalent rating category of at least "A-" (relative to this S&P rating). No individual issue will be in excess of \$100,000 and the total value of corporate bonds will not exceed 40% of the total portfolio. Normally, bonds will be purchased to ladder maturities out three years. Some exceptions will be allowed if the yield curve favors longer maturities, or there is a call feature.
- U.S. Municipal Bonds can be purchased individually with the same restrictions listed above for U.S. Corporate bonds. Muni bonds offer a tax free income to the association. Muni bonds that are insured and have at least 3 times asset coverage are also allowable if there is a better opportunity to increase yield with minimal risk. No one non-rated issue may exceed \$50,000 and the combined non-rated bonds may not exceed 5% of the portfolio. Individual Muni bonds and corporate bonds when combined may not exceed 40% of the portfolio.
- Preferred Stocks with a minimum "investment grade rating" by at least one of the nationally recognized rating services. Because these are individual company preferred stocks, no more than 2% can be invested in any one issue and no more than 10% of the portfolio can be invested in preferred stocks. Preferred stocks will be closely monitored and negative change in investment grade rating or any material changes in value will require a report by Investment Manager to the Budget and Finance Committee.

PACIFIC WEST ASSOCIATION OF REALTORS®, INC.

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Section 25. Financial Policies

- Fixed income mutual funds – These mutual funds offer an opportunity for fixed income diversification into a number of sectors and maturities. The performance of the mutual funds is reviewed and reported on the monthly statements. A number of fixed income mutual funds will be in the portfolio so no one mutual fund becomes too excessive

CLASS 3 (High Quality Growth)

- Mutual Funds that contain primarily stocks, offer an opportunity to boost the return that might be expected from a strictly fixed income portfolio. Mutual funds that are funds of funds are extremely diversified. Employment of a successful upgrading strategy offers further growth opportunities. Stocks have historically been more volatile than fixed income so the association investment policy limits the investment in Class 3 mutual funds to no more than 25% of the portfolio.

CLASS 4 (Total Return)

- Mutual Funds in class 4 are made up of a combination of stocks and bonds – hence the description “Total Return”. These mutual funds should be less volatile than class 3. These mutual funds should not exceed 25% of the portfolio and when combined with class 3, should not exceed 40% of the portfolio.

CLASS 2 (Speculative Growth)

- This category of mutual funds will only be used if market conditions favor a hedged mutual fund or inverse fund that goes up when the stock market is going down or goes up when interest rates are going up. Investment Manager should review leading indicators from an independent firm such as the Economic Cycle Research Institute and be prepared to anticipate a major change in market conditions that would make this kind of fund a suitable option. No more than 5% of the portfolio should be invested in these hedge funds.

Individual Stocks

- Common stocks are not rated like bonds. Because of the volatile nature of individual common stocks, the Association may invest in common stocks with restrictions that limit the total investment in common stocks to 5% of the portfolio and individual issues to \$50,000. Normally common stocks would only be suitable for the association if there were a strong dividend as well as a growth opportunity.

- **INVESTMENT LIMITATIONS AND RESTRICTIONS**

- Investment Manager(s) are to make investments consistent with the safeguards and diversity to which a prudent investor would adhere.
- All assets selected by the Investment Manager must have a readily available market value and must be immediately marketable.
- Investment Manager should consider implications of short-term capital gain taxes prior to trading within the Association’s portfolio.
- The Manager(s) will inform the Association of all transactions. Movements of funds shall be reported within the same day. The authorized custodian of funds will provide confirmations of all transactions.
- No single corporate security in the portfolio shall exceed 10 percent.
- If one investment or group of investments exceeds stated limitations Investment Manager to be notified and Budget and Finance Committee to discuss.

PACIFIC WEST ASSOCIATION OF REALTORS®, INC. POLICIES AND PROCEDURES MANUAL

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INVESTMENT EMPOWERMENT

- **Investment Funds**
The Investment Manager is empowered to make investments on behalf of the Association within the policies and guidelines established for the investment of Association funds. The Association retains the right to designate additional Association personnel to transact and monitor investment activities on behalf of the Association.

EARNINGS AND VALUE REPORTING

- Market values of investment holdings as recorded in the Association's financial records are to be updated on a monthly basis and shall be recorded in accordance with FASB statement #130 with the year end audited financials.

B. PACIFIC WEST ASSOCIATION OF REALTORS® - FINANCIAL POLICIES

PACIFIC WEST ASSOCIATION OF REALTORS® FINANCIAL POLICIES

1. It shall be the policy of the Association to assign the task of budget development for the ensuing year to the Budget and Finance Committee. The annual budget development process shall utilize the zero based budgeting approach, and shall take into consideration input from all necessary sources to assure an accurate operating budget.
2. It shall be the policy of the Association that, upon Board of Directors approval of the annual budget, it shall be the responsibility of the Treasurer, Chief Executive Officer and the Vice President of Finance and Administration to administer the day-to-day implementation of the budget. Should deviations occur, and then the Budget and Finance Committee should review and make recommendations as necessary or desirable to the Board of Directors.
3. It shall be the policy of the Association to maintain reserve funds established for future needs of the association. All reserve funds shall be invested in accounts deemed reliable by the Budget and Finance Committee and the Board of Directors. See Addendum I for full reserve policy.
 - Investments in various stocks, bonds, mutual funds or certificates of deposits, are to be invested per the advice of our approved investment firm. All investments are to be governed by our investment policy.
 - The association should expect a monthly report from the custodian of association assets (Schwab) as well as a statement from Investment Manager (IM). Budget and Finance Committee should agree on the format of the IM statement. Custodian statement should provide investment holdings in detail as well as transaction detail, cash activity and interest income.

Investment Manager should provide a statement that gives an executive summary of the association investments and performance. It will report the account balance, deposits/withdrawals, portfolio gain or loss for the month, year-to-date and the past five years. It will report all investments in the categories previously identified in this investment policy, and report the month and year-to-date gain/loss for each investment.

4. It shall be the policy of the Association, that internal controls relating to the Association's accounting system shall be maintained by the Treasurer, Chief Executive Officer and the Vice President of Finance and Administration in accordance with generally accepted accounting procedures, recommendations of the Association's CPA firm, suggestions in any management

Section 25 Financial Policies

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POLICIES AND PROCEDURES MANUAL

Section 25. Financial Policies

- letter prepared as a result of an audit, and any actions taken from time-to-time by the Board of Directors. It shall be the policy of the Association that expenditures incurred by a member of the Board of Directors, the CEO, or any employee shall be approved prior to payment by a person other than the person who incurred the expenditure. Expenditures by the CEO shall be approved by the President with expenditures by staff and employees approved by the CEO. Coding for expenditures shall follow the established Chart of Accounts. Questions regarding coding of staff expense shall be directed to the CEO, with questions regarding coding of the CEO's expenditures directed to the President. Further internal controls shall include such subjects as signatories to checks and accounts, inventory control, assets, travel reimbursements, record keeping, etc., and shall provide for a safe and normal flow of the Association's management of funds. Also included in these controls are credit card usage, petty cash disbursements and travel policies as outlined in Addendum III, Accounting Department Policy Manual.
5. It shall be the policy of the Association that a Certified Audit of the Association's books and accounting procedures be accomplished on an annual basis, clearly establishing financial responsibility and as a verification of the accuracy of financial reports.
 6. It shall be the policy of the Association that a Certified Public Accountant (CPA) be retained for the purposes of reviewing the Association's Financial Statements, monthly during the calendar year. The CPA shall also be responsible for the completion of State and Federal Tax returns.
 7. It shall be the responsibility of the Association that the Finance Committee, review these Financial Policies annually with recommendation for adjustments, if any, being submitted to the Board of Directors for consideration.
 8. It shall be the policy of the Association that nothing contained within these Financial Policies shall be construed as relieving the Board of Directors of full responsibility for the management of the Association's funds. The Board of Directors shall retain the full right to change, adjust, and/or eliminate any portion of the established policy at any time after its adoption.
 9. It shall be the policy of the Association that prior to the Board of Directors action to adjust any established fees of the Association, the Budget and Finance Committee shall be instructed to review the ramifications of such an adjustment.
 10. It shall be the policy of the Association that the Budget and Finance Committee will recommend any necessary financial adjustments to the Board of Directors and will review local membership dues annually.
 11. It shall be the policy of the Association that representatives of the Association who attend authorized conferences, business meetings, seminars or conventions, be provided with payment of reasonable and incidental expenses if approved in the annual budget.
 - Volunteer travel policies are outlined in Addendum IV
 - Employee travel policies are outlined in the Pacific West Association of REALTORS® Personnel Handbook as from time to time amended. The portion addressing this issue is attached as Addendum V.
 12. It shall be the policy of the Association that preliminary financial statements be prepared by the Vice President of Finance and Administration and submitted to the Budget and Finance Committee.

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Section 25. Financial Policies

13. It shall be the policy of the Association that the Budget and Finance Committee shall receive a copy of current year Rolling Forecast on a monthly basis for review.
14. It shall be the policy of the Association that the accounting department will implement the following procedures:
 - PWR – Purchasing Procedure
 - PWR – Collection Procedure
 - PWR – Order Entry – Sales Processing Procedure
 - PWR – Monthly Closing Procedure – Staff Salary & Commission
 - PWR – Monthly Closing Procedure – Allocating Variable Overhead

These procedures will be responsible for the smooth interaction of the accounting department and all other departments of Pacific West Association of REALTORS®

15. It shall be the policy of the Association that bank deposits be made on a daily basis whenever possible. It is understood that workload of the department personnel may not allow deposits to be made daily, however, the Vice President of Finance and Administration and/or his/her designee shall make every effort to accomplish a daily deposit.
16. It shall be the policy of the Association to pay all outstanding accounts on the 15th and 30th of each month, whenever practicable.
17. It shall be the policy of the Association that the annual membership/MLS dues billing statements (state, local, national and MLSs dues) be generated into one yearly billing and mailed not later than December 1 of each year. All members/non-members will be offered the PWR FLEX Payment program.
 - This program provides three options for dues payments. Yearly, full amount due, or pro-rated monthly, or quarterly, which includes billing fees. Members/non-members will have the option of financing dues over a quarterly basis or twelve month period, with automatic billing or coupon method.
18. It shall be the policy of the Association that employees be paid on the 5th and the 20th of each month. If payday falls on a weekend, employees will be paid on Friday. When payday falls on a holiday, employees will be paid on the last working day prior to the holiday.
19. Except in extreme circumstances, the Association does not permit advances against paychecks. If circumstances warrant, an advance against pay shall be made only upon the written submission of the request outlining the necessity, and execution by the employee of a written agreement setting forth the terms of repayment to be effective during and after termination of the employment relationship. Such agreement with also authorize the Association to withhold from the employee's final paycheck whatever sum is required to pay any balance owed upon severance of employment, up to and including the entire amount of all wages or other amounts due and owing by the Association to the employee. The President of the Board of Directors shall approve requests for advances by the CEO. The CEO shall approve requests for advances by staff and employees.
20. Association credit cards are issued for purposes reasonably related to Association business. In the event of an emergency, the credit card may be used for non-Association purposes provided that the cardholder issues a written explanation to the CEO within 48 hours or one business day of the use and agrees to reimburse the Association for the charges. The CEO will report such occurrences and provide a written explanation with repayment arrangements directly to the President of the Board of Directors. Following are the limits established for each account:

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Section 25. Financial Policies



Position	Term (In Years)	Limit
President	1	\$5,000
President-Elect	1	\$5,000
CEO	1	\$5,000
CEO (AMEX for Travel)	1	Unlmtd
Vice President of Finance and Administration	1	\$5,000
Vice President Gov. Affairs	1	\$5,000
VP President of r-Partner	1	\$5,000
EVP	1	\$5,000
Government Affairs Director	1	\$5,000
VP Customer Service	1	\$5,000
VP IT	1	\$5,000

21. Checks are to be signed by two authorized signers and the available pool of signers shall include the CEO, Executive Vice President, Vice President Finance and Administration, Vice President Governmental Affairs from staff and President, President Elect and Treasurer from the Board of Directors. The only exception is when the second signer is out of town than a facsimile stamp of the CEO's signature may be used on checks with a limit of \$5,000.00 and checks \$100.00 and under. Checks and the facsimile stamp are to be locked up at all times, and checks are not to be presigned. Also all electronic fund transfers are initiated by the designated responsible manager or designee and approved by the Vice President of Finance and Administration.

It shall also be policy that once a month a detailed cash disbursement journal of all checks written over \$5,000 shall be given to the Treasurer and Vice Treasurer for review.

22. It shall be the policy of the Association that the Budget and Finance Committee receive an annual report on the tax liability of the Association at or before the October Meeting of the Budget and Finance Committee.

PACIFIC WEST ASSOCIATION OF REALTORS®, INC.

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Section 25. Financial Policies

C. ACCOUNTING DEPARTMENT POLICY MANUAL **Addendum III to Financial Policy Manual** **Revised February 10, 2002**

The following are the procedures for the Accounting Department of the Pacific West Association of REALTORS®. Outlined on the following pages are the day-to-day procedures followed by the staff members of the Accounting Department. The procedures are meant to enhance the day-to-day operations of the Pacific West Association of REALTORS®, and are meant to be flexible and may be changed from time to time to keep in line with changes in accounting procedures and the Real Estate industry.

1. STAFF ASSIGNMENTS

The accounting department consists of the following positions:

VICE PRESIDENT OF FINANCE AND ADMINISTRATION

- Oversees the Staff Accountant, Accounting Clerk -AR, Shipping/Receiving Supervisor and Clerk, membership and front counter staff.
- Oversees the day to day processes of accounting and shipping and receiving, signs off on all entries in general ledger, receivables posted, refund requests, payables, checks issued.
- Reports to CEO and Finance Committee. Attends all Finance Committee meetings, creates agendas, and coordinates each department's variance reports.
- Responsible for coordinating annual billing, bank accounts, journal entries and all related duties to month end closing schedule:
- Follows month-end procedures log designed and implemented for Pacific West Association of REALTORS® in Rapattoni accounting system.
- Follows yearly billing procedures log designed and implemented for Pacific West Association of REALTORS® in Rapattoni accounting system.

ACCOUNTING CLERK –A/P

- Reports to Vice President of Finance and Administration. Responsible for processing daily batch totals and deposits, accounts payable, posting PO's to PeachTree™ and crediting and adjusting member accounts.
- Also responsible for coordinating annual billing, bank accounts, journal entries and all related duties to month end closing schedule for each of the rPartner entities.

ACCOUNTING CLERK – A/R

- Reports to Vice President of Finance and Administration. Responsible for processing accounts receivables, aged receivables and collections, issuing purchase orders to maintain inventory.
- Serves as liaison to Pacific West Association of REALTORS®' vendors and requests for proposals.

SHIPPING/RECEIVING SUPERVISOR

- Reports to Vice President of Finance and Administration.
- Responsible for overseeing shipping and receiving department daily responsibilities.
- Processing daily deliveries to member offices/homes for orders processed. Processes incoming inventory purchased through purchase orders.
- Oversees corporate orders and deliveries.

SHIPPING/RECEIVING CLERK

- Reports to Shipping Receiving Supervisor.
- Responsible for assisting shipping/receiving supervisor with daily deliveries.
- Assists members on phone regarding shipping requests.

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MEMBERSHIP MANAGER

- Reports to Vice President of Finance and Administration.
- Responsible for back up to accounting department for specialized reports and maintaining membership data and transmittal.

2. DAILY ROUTINE

- Pacific West Association of REALTORS® is a trade association for profit, designed to process all types of member's transactions from each workstation. Call center can process member orders, payments on existing accounts, and credit card orders. ICVerify™ software enables all staff to process credit card orders at each station. Orders placed through the call center, processed before 10:30 a.m., are printed to shipping/receiving department for same day delivery.
- All requests for payments on account, to Pacific West Association of REALTORS® can be processed by any staff member from their workstation. Accounting department is responsible for issuing "cash banks" at the days start, to designated employees, and responsible for receiving the cash banks at day's end. Accounting is responsible for access to safe; distributes "cash banks" to each eligible employee. Accounting handles incoming accounting calls, not handled by call center/customer service department.

3. ORDER ENTRY-SALES PROCESSING

- PWR Order Entry – Sales Processing, 3/16/98 –is the defined process for phone orders, fax orders or walk ins.

- **ADDENDUM**

To Order Entry-Sales Processing>Returns/Credit – Lightning software, use code R2000 – Returns Lightning Software –1 in quantity to create credit, print the invoice, attach Return Form [Attachment I], and turn into Shipping Supervisor for processing. He will turn into Accounting, who will have credit verified by department head, and then process repayment or credit. Supra boxes and supra cards for return, must be processed through Shipping/Receiving, for inventory control, and then turned into accounting for processing, after verification of department head.

- **CONTROL**

Control of the processes mentioned above is done through the accounting department. All monies are counted and matched to "cash" invoices created by retail store/membership/outside sales force. Daily deposits are created, balanced and taken to bank on daily basis. Checks only at this time.

4. ACCOUNTS RECEIVABLE

- **A/R -BATCHES**

[Accounts Receivable Clerk] sets up an individual batch for each employee on a daily basis, and is balanced by accounting clerk/accounts administrator on following business day. Each batch is set up for employees, with source code for tracking through Crystal Reports™ on a monthly basis. Each employee is to work in his/her own batch. They must verify that the amount of check received matches the total of the invoice created. All monies [cash bank] given with batch in the a.m. issuance must be counted on a tally sheet and initialed. Count is then done again on a tally sheet at day's end, p.m. Signed tally sheets must be included in batch turned in with cash and checks and given to accounting department at the end of the day. Accounting clerk/account administrator will close batch next business day, and open current day's batch.

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- A/R –CASH
 - Pacific West AOR keeps a petty cash bank in the amount of \$1,300.00. **All cash bank amounts described in this section, are part of total petty cash.** The accounts receivable clerk monitors it with oversight by the Vice President of Finance and Administration. It is counted and balanced on a monthly basis. All cash banks for designated employees are counted in the a.m. and distributed with a tally sheet. Bank is counted at distribution by the receiver, and then counted again at day's end and returned to accounting department and placed in the safe.
 - The front retail store has two sales computers. Each employee is given their own cash bank, of \$150.00, a batch with password and tally sheets. Retail store batches only, are rotated and reserve cash banks of \$150.00, are kept in the safe for next day. All checks, cash and credit card receipts are turned in with cash bank at end of day.
 - Back up to the front retail store also has a small cash bank of \$150.00. This cash bank does not have a "back up/reserve" bank. At break time or lunch periods, back up covers the front retail store and uses his/her own cash bank for change. All batches are kept separate.
 - Membership department is given a separate batch for the processing of new members.
 - Back up "events bank" is \$300.00. All batches are closed by accounting department at day's end, and new batches opened for front retail store and shipping [next day use] are opened prior to accounting department leaving for the day.
 - All employee requests for petty cash for purchases to be made or purchases made must be accompanied by a "Request for Petty Cash Voucher", with appropriate receipt attached, and must be signed by a member of senior management. Included in this approval is signing for the amount taken. Petty cash can be used for any budgeted expenses for business related purposes, not to exceed \$100 in amount. The Accounts Receivable Clerk shall hold custody of an amount not to exceed \$600 and shall on a monthly basis reconcile the cash and provide reporting to both the VP of Operations and the CEO
 - Cash deposits to bank account will be made on a daily basis.
- A/R - PAYMENTS ON ACCOUNTS

Brokers and authorized agents are eligible to charge to office accounts. Monthly statements are sent to offices by special request. All other's pay for charges off of the initial invoice produced at time of purchase. Staff Accountant and various staff post payments received daily, to member accounts. All payments received are recorded through the each staff member's respective daily batch. This identifies date received and posted. This procedure also creates a trail for posted checks or credit card payments through the Rapattoni Magic computer system.
- 5. COLLECTIONS PROCEDURES
 - COLLECTION AGENCY

When account is past due over 120 days, the Finance Committee is advised, and the account is then turned over to a collection agency for processing.

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6. SHIPPING/RECEIVING

- CORPORATE ACCOUNTS
PWR has established a corporate account billing structure. This is to handle special accounts, which order and bill through corporate offices. Generally there is a minimum dollar order on a monthly basis.
- MONTH END INVENTORY COUNTS
Counts in various departments, MUST be turned into Shipping/Receiving Supervisor at month end. A count sheet will be given to appropriate departments on the 29th of each month, must be filled out and completed no later than close of business on last day of month.

7. ACCOUNTS PAYABLE

- NET ACCOUNTS
Vendors who supply “net account” arrangements are always paid within the time allotted, for PWR to utilize savings or prevent late fees. All vendors of PWR have been contacted to arrange for “special” net payments. All existing and new vendors are entered into the Rapattoni vendor program, for processing of purchase orders. All vendors are then put into PeachTree™ for payment.
- VENDORS
A PWR vendors have been contacted, and all new vendors are noticed that PWR pays from invoices with PWR Purchase Order numbers only. This applies to all inventory only vendors. Vendor’s invoices for all other payments, are approved by senior management prior to payment. Senior management must designate the G/L account prior to approval for payment.
- PURCHASE ORDERS
PWR Purchasing Procedure [4/9/98] – This process is for items in Rapattoni Inventory system; reorders are done from Rapattoni Reorder Report and new requests for in stock items for resale, must be accompanied by “Requisition to Create a Purchase Order” form.
- CHECK REQUESTS
Special requests for checks must be submitted 24 hours in advance of the date needed. This process is to allow for signers to be present and for minimal interruption of accounting staff duties.
- CHECK SIGNATORIES
Checks are to be signed by two authorized signers and the available pool of signers shall include the CEO, Executive Vice President, Vice President Finance and Administration, Vice President Governmental Affairs from staff and President, President Elect and Treasurer from the Board of Directors. The only exception is when the a second signer is out of town than a facsimile stamp of the CEO’s signature may be used on checks with a limit of \$5,000.00 Checks and the facsimile stamp are to locked up at all times, and checks are not to be presigned.

8. MONTH END PROCESSES

- MONTHLY AUDIT – MLS
Report or figures for accrual are taken from the Month End Update to the G/L from Rapattoni export program. [Month End Cash Receipt by Charge Codes is further verification of these figures]. Membership runs “Membership Count Reports” the same

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day the billing report for SoCal MLS is run. Figures should match. SoCal MLS sends a disk with the billing for further verification if necessary. If the counts are off, a printed copy of the disk from SoCal MLS verifies them. Match member to member is needed.

- MONTHLY AUDIT – State Transmittal – C.A.R.
The state transmittal for processing new and existing members of C.A.R. and N.A.R. is run bi-monthly, but forwarded to C.A.R. on a monthly basis. The “Dues Verification Report” process is one report to assist in verification of transmittals and dues. The State Transmittal prints a report of all-new members, changes and terminations of existing members. Also records members change of address for home and office. C.A.R. does not send a monthly report of dues/members processed, and as such does not allow us to verify on a monthly basis. Any reconciliation of any discrepancies to CAR’s totals are made thru the NRDS system on a daily basis. We must rely on in-house reports to 1; balance dues remitted and 2; use “Dues Verification Report” and cash receipts by charge code reports from accounting to balance to the G/L.
- JOURNAL ENTRIES
The Vice President of Finance and Administration will start the following procedures on the last business day of the month. Shipping Supervisor will run the “Inventory Valuation” report on the morning of the first business day of the month. This is run for the prior month’s reports and closings. It is submitted to Vice President of Accounting and Administration for inclusion in month end updates and reports[spreadsheet/worksheet – 1].

Day 1,2	Run Sales and Cash Reports [pre-closing]
“	Run re-calculate charge codes, run Inventory Activity Report, run Inventory update.
“	Run Rapattoni Export/Import Journal program to PeachTree
“	OCCAOR Closing from Rapattoni System
Day 3	Miscellaneous Deposit[s]/CD Interest & Note Payments
“	Review Accounts Payable with Accounting Clerk
Day 4,5	Member Dues & MLS & Deposit Accruals
“	Prepaid Expense, *Postal Meter, Cell Phones Accrual
“	Note Collection, Interest Income [all accounts]
“	Review Accounts Receivable
“	Credit Card Fees Accrual
“	OCCAOR Mgmt Fee Accrual
“	Depreciation/Amortization Expense Accrual [CPA supply’s]
Day 5,6	Staff Insurance Accrual
“	Review Inventory for corrections – Shipping/Receiving
Day 5	Review Inventory for corrections – Allocate Salary, Payroll taxes, Health/Dental Insurance
Day 5,6	Prepare & deliver OCCAOR Financial Report
Day 6,7	Bank reconciliation and miscellaneous entries
“	Review General Ledger/Make Correcting Entries-WVP Operations
Day 7	Review Preliminary Financial Statement-
“	Review Variance Reports from Senior Management
“	Make Correcting Entries if necessary – W/Vice President of Finance and Administration
“	Prepare Overhead Allocations
“	Submit Final Financial Statement for presentation to Finance Committee
“	Prepare and review monthly Cash Flow Statement

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9. YEAR END PROCESSES

- YEARLY AUDIT

VP Operations to make arrangements with CPA for date[s] of yearly audit. The Vice President of Finance and Administration is to provide all worksheets and supporting data. Schedule to allow for all regular monthly processes.

* Postal Meter information provided by Shipping/Receiving Department-End of Month

10. COMPANY CREDIT CARDS

Association credit cards are issued for purposes reasonably related to Association business. In the event of an emergency, the credit card may be used for non-Association purposes provided that the cardholder issues a written explanation to the CEO within 48 hours or one business day of the use and agrees to reimburse the Association for the charges. The CEO will report such occurrences and provide a written explanation with repayment arrangements directly to the President of the Board of Directors.

Information contained in this manual is subject to change and may be amended from time to time to accomplish constant updates as deemed necessary.

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D. RESERVE POLICY TASK FORCE ADDENDUM I TO FINANCIAL POLICIES

PACIFIC WEST ASSOCIATION OF REALTORS®
RESERVE POLICY TASK FORCE
ADDENDUM I TO FINANCIAL POLICIES

- **POLICY**

The task force recommends that the reserve level be set at nine (9) months. The current reserve level should be determined using the California Association of REALTORS' method of reserve calculation. This calculation determines how many months an operation can survive off of their net liquid assets if no revenue from operations were ever produced again and with no reductions in current spending levels.

- **GUIDELINES**

It was our intention that in setting a reserve level that the association operates with a positive cash flow. Negative cash flow levels should be examined if they continue beyond three (3) months with any adjustments as necessary made after formal review by Budget and Finance and approved by the Board of Directors. These adjustments would be made, when approved, to maintain as much of the nine (9) month reserve as possible, with rebuilding and maintaining this reserve of utmost importance when an excess cash flow situation exists.

E. SHIPPING & RECEIVING PROCEDURE MANUAL

- **PACKING**

Boxes are used for large orders envelopes for small ones. There is no specific method for packaging. Be creative. All products MUST be packed in such a manner to prevent folding bending, tearing or any other damage. Cardboard stabilizers must be used when packing single forms.

- **DELIVERY**

The shipping deadline is 10:30am. At that time the manifest is faxed to America One deliveryOne delivery for routing (949)852-2333. A America One delivery driver will pick up between 10:30 and 11:00 a.m.

- **RESIDENTIAL DELIVERY**

While verifying shipping address, you may note the office and home address are the same. This qualifies as a residential delivery. All packages must be signed for. If an agent requests that a package be left at a residence without a signature, they must fax over a signed statement accepting responsibility for the delivery. This is the only time signatures are not required, at time of delivery except for the Board of Directors or Finance Committee documents.

- **BILLING GROUPS**

Each billing group has its own price structure and inventory.

- A. PWR - Members of Pacific West are invoiced under this category. These orders are sent from the call center to the shipping printer. Others orders arrive via fax and e-mail.

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- B. LRG – –Always via fax, and on corporate order form. First Team, C-21 Beachside and RE-MAX Beach Cities are billed in this group. HUGE – All C-21 Superstars offices (Allan Gantt) are billed in this group.

- **PWR ORDERS**

Enter agent's name in Rapattoni to verify shipping address and to obtain phone number. Compare this to information given on invoice to insure accuracy. Office name, agent's name, address and phone number are logged in the daily shipping manifest. Multiple packages and any special instructions should also be noted. Once orders are logged, they are pulled [filled] and packaged.

Three copies of invoices are generated for every charge order. After packaging, invoices with a balance due are stamped with "please pay on this invoice, terms net 30". This copy is to be inserted inside the package. *The second copy [top portion only, cut off bottom with invoice totals] is used for an address label (packing slip). The third copy is to be placed in the shipping file according to the date of shipment. For orders paid by credit-card, or with \$0.00 balance due, print only two copies; place the first copy as the address label/pack slip, the second copy goes into the shipping files.

*When placing a "full" copy in packing slip holder, it creates confusion with the office billing. Both copies are given to accounting, and they think we are double billing. . .

- **CORPORATE ACCOUNTS**

Instructions on invoicing is shown on attached chart, provided and updated by Jodi Werner in Marketing. Instructions also appear on the corporate order form, which always comes via fax. Print three copies 1: is packing slip, #2 shipping files, #3 is stamped and sent with a copy of the original fax order to billing office if applicable. All orders are included in one large corporate order from C.A.R. once the Coldwell Banker order is placed, usually by the 17th of the month.

- LRG BILLING GROUP
C-21 Beachside - - RE/Max Premier - - RE/Max Beach Cities - - Prudential California [Orange Co & San Diego] - - Prudential California, Riverside - - First Team Real Estate.
- HUGE BILLING GROUP
C-21 Superstars
- CB BILLING GROUP
Coldwell Banker - - LGS Disclosures

- **ORDERING PRODUCT/ RECEIVING PROCEDURE**

When ordering any resale item, a purchase order must be created, and remain "open" until shipment arrives. Most products arrive via UPS or Roadway Trucking. Boxes must be opened and all product counted before the P.O. is posted. Two copies of every posted P.O. are created. One copy goes with the packing slip to accounting. The second copy goes into the P.O. log. Product can then be distributed to the store or put on the shelf.

- **CREATING A PURCHASE ORDER**

- VIA RAPATTONI
"Managers" to "Inventory" to "Purchase Order Form" <enter>

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You will now be on "Purchase Order Query" screen.

A P.O. number is found by first determining the billing group the P.O. is to be assigned to. If it's a Coldwell Banker P.O., enter "C". This will show the last purchase order number assigned to that billing group. The P.O. number you need to use is always one number higher than the last entered purchase order number. Large office P.O.'s begin with an "L," huge office accounts begin an "H," etc.

Once you have determined your billing group and P.O. number, press Ctrl C to go to "Purchase Order Info Form" and create the new P.O.

1. Enter P.O. number, <tab>.
2. Enter order date, <tab>
3. Enter billing group, <tab>, <F5>.
4. Locate vendor, <enter>.
5. Enter "expected date", <tab> <tab>.
6. Enter "ship via", <tab>.
7. Enter payment type, i.e., COD, POD, N30, etc., <tab>.
8. Comment Section (self-explanatory), <tab>

- You will now be on the "Purchase Order Detail" section of this screen. Here you will input the charge codes and product quantities you are ordering.

1. Enter charge code, <tab>.
2. Enter quantity ordered <tab>.
3. Enter unit cost, <esc>.
4. You are now done.

- **VERIFY UNIT COSTS**

EXTREMELY IMPORTANT -- Be sure to verify unit costs with vendor while you are ordering!!!!

- **RECEIVING/FILLING A PURCHASE ORDER**

Find the packing slip, open box(s), and verify totals on said packing slip. Go to "Managers," -- "Inventory" - - "Purchase Order Form", press <enter>

Arrow key up or down to find your desired P.O. number (you should have made the vendor aware of this number at the time order was placed)

Once you have found your P.O. number, <F5> to "Purchase Order Information Form". <TAB> several times to "Date Received" and enter whatever day it happens to be, e.g., current date! <TAB> to "Quantity Received" and enter amount. If items are back ordered, enter quantity under "Back Order Quantity".

Once all information is checked, use the mouse and click "Post" bar on the bottom of the screen, click the left mouse button to post this purchase order into inventory.

- **PURCHASE ORDER REPORTS**

For every purchase order posted, you must create a report to accompany the invoice of received product.

- **PROCEDURE**

"Managers" - - "Inventory" - - "Reports" - - "P.O. Report, <enter>, <tab>, to "Billing Group" and enter appropriate billing group. <Tab> to "P.O. number" and enter P.O

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number, <tab> to vendor, <F5> to Locate vendor. Once vendor is located hit <enter> to select vendor- Enter "3" in "P.O. Status" ["3" is for posted]. <Tab> to "Order Date" and "Receive Date". Click mouse on "Create Report" bar. Click left mouse button to number of copies, enter "2". Arrow to "OK." Click left mouse button to print.

1st copy is attached with packing slip and given to the purchasing agent; 2nd copy is filed in the shipping department.