

# **PACIFIC WEST ASSOCIATION OF REALTORS®**

## **Policies and Procedures Manual**

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POLICIES AND PROCEDURES MANUAL**

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**PACIFIC WEST ASSOCIATION OF REALTORS®, INC.  
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**Section 1. Board of Directors**

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**DEFINITIONS**

Association	Pacific West Association of REALTORS®
Board of Directors	Board of Directors of Association
Bylaws	Bylaws of Association
C.A.R.	California Association of REALTORS®
CEO	Association's employed chief executive officer
CPA	Association's Certified Public Accountant and firm
Directors	Member of the Board of Directors
DRE	California Department of Real Estate, formerly the California Bureau of Real Estate ("CalBRE")
Member	Member of Association
Membership	All members of Association
MLS	Multiple Listing Service
NAR	National Association of REALTORS®
PWR	Pacific West Association of REALTORS®

# **PACIFIC WEST ASSOCIATION OF REALTORS®, INC.**

## **POLICIES AND PROCEDURES MANUAL**

### **Section 1. Board of Directors**

#### **SECTION 1. BOARD OF DIRECTORS**

##### 1.1 AUTHORITY

Authorized as per Bylaws and the policies of NAR, C.A.R. and/or Association.

##### 1.2 PURPOSE

Shall be the governing body of the Pacific West Association of REALTORS® (hereinafter referred to as the "Association"), over and above Association President, CEO and all Committees. Shall have the immediate charge and control of the affairs of 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 Association. Shall establish goals and objectives of Association. In addition to being accountable to the general membership for the conduct of Association's business, the Directors' major focus shall be future planning, including:

- a. Defining and establishing Association's Mission and Vision Statements;
- b. Establishing short and long-term strategic plans, objectives and policies; and
- c. Defining and approving program prioritization and budgeting.
- d. Focusing on Association's vision rather than the details.

##### 1.3 COMPOSITION

The governing body of Association is a Board of Directors consisting of no fewer than twelve (12) and no more than fifteen (15) Directors, comprised of the following:

###### 1.3.1 OFFICERS

- A. Two Ascended Officer/Directors: The President position is filled automatically by the prior year's President-Elect. The Immediate Past President position is filled automatically by the prior year's President.
- B. Three Director Elected Officer/Directors: The President-Elect, Secretary-Treasurer, and Vice President are elected by the incoming Board of Directors from the eligible Directors.
- C. Executive Committee:
  1. The Officers of Association comprise the Executive Committee. (Bylaws, Article X, Section 3, Paragraph 1.7)
  2. Association's CEO is a non-voting attendee at all Executive Committee meetings.
  3. The duties of the Executive Committee include those duties assigned by the Board of Directors.
  4. The Executive Committee meets every other month, as needed or as approved by the Board of Directors.
  5. The Executive Committee will receive and review a monthly report from the Budget and Finance Committee.

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### **Section 1. Board of Directors**

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6. The Executive Committee may make time sensitive operating decisions requiring action that should not await attention at the next regularly scheduled meeting of the Board of Directors, providing the action is consistent with Association's policies, governing documents and budget.

#### 1.3.2 DIRECTORS

##### A. Eight Two-Year Elected Directors:

1. Eight (8) Directors are elected by the membership from the REALTOR® members to serve staggered two-year terms, so that, to the extent possible, there are four (4) vacancies in each annual election.
2. 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.
3. In the event circumstances result in there being a vacancy for the second year of a two-year Director term, the vacancy will be filled with a one-year term for that election only as necessary to maintain staggered terms.
4. To maintain staggered terms, the number of candidates who receive the highest number of votes will be elected as Directors to serve the two-year terms and the candidates who receive the next highest number of votes will be elected to serve the one-year terms.

##### B. Two One-Year Elected Directors: Two (2) Directors are elected by the membership from the REALTOR® members who have not previously served on any REALTOR® Association board of directors to serve a one (1) year term.

##### C. Up to Three One-Year Appointed Directors At Large: Up to 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 Bylaws, Article X, Section 1.2 or any time thereafter.

##### D. Qualifications

1. A candidate or Director must be a REALTOR® member in good standing continuously during the twelve (12) months immediately prior to being seated. For purposes of this Section D, "in good standing" means the following:
  - a. The member's California real estate license has not been and currently is not suspended or revoked by DRE;
  - b. The member's California real estate license has not been and currently is not restricted by DRE due to fraud and/or violation of public trust, as defined by NAR guidelines.
  - c. The member has not had and currently does not have any unsatisfied or outstanding violations and is in compliance with all conditions required and orders issued by DRE.
  - d. The member's membership in Association has not been and currently is not suspended or terminated after a final Professional Standards proceeding hearing before the Board of Directors, or for failure to pay any financial requirements such as dues, fees or fines.

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### Section 1. Board of Directors

2. No more than three (3) members from the same broker-owned office or firm shall serve as a Director in any one-year, except in the case of the transfer of an elected Director to another firm, in which case he or she shall be permitted to complete the elected term.
  3. A candidate or Director may be a member of another local REALTOR® Association but may not be concurrently or simultaneously nominated, running, elected, appointed, or serving on an Association concurrently or simultaneously nominated, elected or serving on a board of directors of another local REALTOR® Association.
  4. A candidate may not be nominated and a Director may not serve if he/she has been sanctioned for a Code of Ethics violation within the continuous twelve (12) months immediately prior to being nominated or seated or at any time during his/her term.
  5. A candidate or Director has the responsibility to immediately inform the President if he/she does not or will not meet any of the qualifications to be nominated, seated, or continue to serve, or to ascend to a following office.
  6. The President-Elect must have previously served at least one year on Association's Board of Directors prior to taking office.
  7. Active in real estate or related business (major source of income).
  8. Although not mandatory, Directors should endeavor to possess the following leadership traits:
    - a. Ability to adapt and foresee changes – progressive and proactive
    - b. Attitude of availability and openness to members and their needs
    - c. Reputation and respect within the real estate community
    - d. Ability to react positively and clearly under pressure
    - e. A coalition builder to help reach common goal(s)
    - f. Ability to create a positive image of Association to members and the community
    - g. A "team" player
- E. Vacancies:
1. *Two-Year Directors:*
    - a. If there is a two-year Director vacancy during the term other than at the end of a year, the vacancy will be filled for the remainder of the term by a simple majority vote of the remaining members of the Board of Directors then in office.
    - b. If there is a two-year Director vacancy at the end of the first year, staggered terms will be maintained in the election of directors as follows: The four (4) candidates who receive the highest number of membership 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) Director to serve the second year of the vacant term, and the three (3) Directors previously elected will serve the second year of their two-year terms.
  2. *One-Year Directors:* A vacant elected one-year Director position will be filled by a simple majority vote of the remaining members of the Board of Directors then in office.
  3. *Failure to Assume Office or Ascend:* If a Director is unable or unwilling to assume office after being elected, or if the President-Elect or President is unable to ascend to the following Officer position, the position becomes vacant and will be filled by a majority vote of the Board of Directors.

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### **Section 1. Board of Directors**

4. *Unfilled Vacancies:* In the event of a vacancy among the non-officer Directors, the Board of Directors may decide by majority vote to leave the position vacant until the next regular election, so long as there remains at least twelve (12) Directors, including the Officers.

#### **1.3.3 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.

#### **1.3.4 REMOVAL OF OFFICERS AND DIRECTORS**

In the event a Director is deemed to be incapable or is unwilling 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 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 ( $\frac{3}{4}$ ) vote of members present and voting shall be required for removal from office.

#### **1.3.5 DIRECTOR EMERITUS**

- A. Purpose
  1. To give recognition to an eligible director for exceptional service to Association.
  2. To provide guidance to the Board of Directors.
  3. To provide counsel to the Executive Committee,
- B. Privileges: The Director Emeritus shall be accorded the following privileges, subject to the Board of Directors' sole discretion:
  1. Attend all Board of Director regular meetings and Executive Session meetings as a non-voting participant.
  2. Be provided with Board of Directors and Executive Committee meeting materials.
  3. Participate in Board of Directors meeting discussions in an advisory capacity.

# **PACIFIC WEST ASSOCIATION OF REALTORS®, INC.**

## **POLICIES AND PROCEDURES MANUAL**

### **Section 1. Board of Directors**

4. Perform such tasks and responsibilities as delegated by the Board of Directors.
  5. Attend all director-related training, including Executive Sessions, subject to the execution of a Confidentiality Agreement.
- C. Eligibility: Director Emeritus status may be granted to an individual who has:
1. Established a record of distinguished performance as an Officer and Director of Association in the Boards' discretion
  2. Served as a Director of Association for a cumulative total of 6 years.
  3. Served as an Officer of Association for a cumulative total of 4 years.
  4. Served in each of the Officer positions: President, President-Elect, Vice President, Secretary/Treasurer (Chief Financial Officer) and Immediate Past President.
  5. Served as a Director of C.A.R. for at least 10 years.
  6. Exhibited a long-term commitment to the real estate industry by service on regional and state Association committees and boards of directors.
  7. Made significant positive contributions to the real estate industry.
  8. Established a reputation of professionalism and the highest standards of practice as a real estate broker and real estate salesperson.
  9. Is a member in good standing of Association.
- D. Procedure
1. The Office of the President is responsible for the implementation of this policy and its procedures.
  2. A Nomination for Emeritus Status is initiated by the President.
  3. The President forwards a one-page summary of the qualifications and significant contributions and accomplishments of the nominee to the Board of Directors.
  4. The nomination is seconded by the members of the current Board of Directors and at least two former Presidents of Association who are not currently on the Board of Directors.
  5. A Director Emeritus is confirmed by majority vote of the current Board of Directors.
  6. Director Emeritus status may be announced whenever and however the Board of Directors decide.
  7. Director Emeritus status may be published in a manner deemed appropriate by the Board of Directors, such as on Association Website, in writing delivered by US mail or electronically to all Members of Association, to C.A.R. or NAR and/or verbally at an Association event.
  8. A Director Emeritus will be presented with a Certificate of Honor denoting Director Emeritus Status.

# **PACIFIC WEST ASSOCIATION OF REALTORS®, INC.**

## **POLICIES AND PROCEDURES MANUAL**

### **Section 1. Board of Directors**

9. A Director Emeritus will be listed on Association records, website and other appropriate directories as the President Emeritus.
10. A Director Emeritus may voluntarily resign or may be removed by majority vote of the current Board of Directors.

#### 1.4 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.

#### 1.5 POLICIES AND PROCEDURES

##### 1.5.1 ORIENTATION

- A. Attend a Directors Orientation generally concurrent with Association's Annual Retreat on legal trends and duties and become generally familiar with 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 NAR, C.A.R., and/or Association and minimally at least once every other year no later than the first quarter of their first year in office.
- C. Sign Association's Confidentiality Agreement, Whistleblower Policy, and Conflict of Interest Code prior to taking office and on an annual basis thereafter.

##### 1.5.2 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 of Director Agendas, and other information.
- B. Shall review entire packet containing items to be covered in session.

##### 1.5.3 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 Association's office (unless otherwise notified).
- B. Meetings, Attendance Requirements, and Excused Absences:
  1. The Board of Directors meets six (6) times each calendar year.
  2. Directors are required to attend all meetings of the Board of Directors.
  3. An automatic resignation from the Board of Directors takes place at the end of the second absence during the calendar year from regularly scheduled meetings, unless such absence is excused.

# **PACIFIC WEST ASSOCIATION OF REALTORS®, INC.**

## **POLICIES AND PROCEDURES MANUAL**

### **Section 1. Board of Directors**

4. An absence may be excused by the President if ratified by a majority vote at any regular or special meeting, in accordance with Association's Bylaws for the following reasons:
    - a. If there is an emergency, such as a death or medical crisis in the immediate family;
    - b. If a Director provides written documentation of having to report for jury duty, or is subpoenaed to testify in a court-type hearing;
    - c. If the Director must attend an Association function, including a NAR or C.A.R. function.
  5. 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.
- 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 also generally 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.

#### **1.5.4 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 in a timely fashion 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 Association to be able to assess the likely impact upon the membership and develop positive plans and objectives accordingly.
- 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 implemented and carried out.
- G. Be generally familiar with Association operation and philosophies.
- H. Demonstrate the willingness to devote time to 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, when asked.



# **PACIFIC WEST ASSOCIATION OF REALTORS®, INC.**

## **POLICIES AND PROCEDURES MANUAL**

### **Section 1. Board of Directors**

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- K. Shall serve on Committees as authorized by the Bylaws.
- L. Candidates for the Board of Directors are strongly encouraged to make an annual voluntary donation of at least \$148.00 (the true cost of doing business) and participate in the C.A.R. political action fund(s).

#### **1.5.5 DIRECTIVES FOR THE BOARD OF DIRECTORS**

- A. Committee and task force items shall be channeled through the CEO to the Chairpersons.
- B. Staff items shall be channeled through the CEO.
- 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 Association and CEO.
- D. Members of the Board of Directors, including all Officers, are encouraged to make an annual voluntary donation of at least \$148.00 (the true cost of doing business) and participate in the C.A.R. political action fund(s).
- E. Telephonic communication to Association's counsel or accountant shall be directed through the President and/or CEO unless otherwise directed by the Board of Directors.
- F. All confidential information must be communicated only in person during meetings and is not to be sent by any electronic transmission, including but not limited to email, facsimile, text message, or other device, whether the confidential information is in the message or an attachment.

#### **1.5.6 EXPENDITURES BY BOARD OF DIRECTORS**

The Board of Directors shall administer the day-to-day finances of 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.

#### **1.5.7 BOARD OF DIRECTORS PROFESSIONAL STANDARDS 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**

Whenever possible, the Board of Directors' Review Panel shall be comprised of five Directors, but in no event shall there be less than three Directors, and one alternate. The Directors are appointed by the President on a case-by-case basis.

# **PACIFIC WEST ASSOCIATION OF REALTORS®, INC.**

## **POLICIES AND PROCEDURES MANUAL**

### **Section 1. Board of Directors**

#### **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 within one year or have sanctions pending, or any ethics matter pending.

#### **1.5.8 INSPECTION AND COPYING ASSOCIATION RECORDS**

##### **A. RIGHTS 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 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 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 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 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 Association, pursuant to Corporations Code Section 1601(a). The right to inspect does not extend to records not reasonably related to the proper purposes for which it is sought. The member's inspection right extends only to the "accounting" records of Association. There is no statutory right to inspect other corporate records or physical property.

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

**Section 1. Board of Directors**

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3. OTHER RECORDS AND PROPERTIES

Unless otherwise required by California law, members have no statutory right to inspect Association's contracts or correspondence, its loan documents, or leases, or the physical facilities or properties of 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 interests 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.

# **PACIFIC WEST ASSOCIATION OF REALTORS®, INC.**

## **POLICIES AND PROCEDURES MANUAL**

### **Section 2. Chief Executive Officer**

## **SECTION 2. CHIEF EXECUTIVE OFFICER**

### 2.1 AUTHORITY

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

### 2.2 PURPOSE

In accordance with a written contract, the CEO is the chief staff person of Association and shall be the Assistant Secretary of Association. Except as otherwise expressly determined by the Board of Directors, the CEO shall manage, direct and be accountable for the full range of operations of 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 Association budget. The CEO shall be chosen by, and his/her salary shall be fixed by, the Board of Directors. The CEO need not be a member of Association or member of the Board of Directors, and shall have no voting privileges.

### 2.3 POLICIES AND PROCEDURES

#### 2.3.1 ADMINISTRATIVE

##### A. BUDGET AND FINANCE

1. Collect all monies paid to 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 Association's Legal Counsel and/or Association's CPA.
6. If requested by the Board of Directors, obtain bonding/insurance for the CEO and Association employees.

##### B. OFFICE ORGANIZATION AND ROUTINE

1. 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.
2. Provide security for all files, legal and historical documents, membership, and mailing lists.
3. Maintain continuing liaison with members of Association to determine their requirements for service and utilization of Association facilities and staff.

# **PACIFIC WEST ASSOCIATION OF REALTORS®, INC.**

## **POLICIES AND PROCEDURES MANUAL**

### **Section 2. Chief Executive Officer**

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#### **C. RECORDS**

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

#### **D. HUMAN RESOURCES FUNCTION**

1. Provide employees with information and necessary assistance to understand 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.

#### **E. EXECUTIVE STRUCTURE - OFFICERS AND DIRECTORS**

1. Consult with and advise Association President, Officers, Directors, and Committee Chairpersons in establishing 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 Association.
4. Attend meetings of the Board of Directors and execute decisions and directives of 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.

#### **2.3.2 MEMBERSHIP**

Attend meetings of the General membership.

#### **2.3.3 COMMITTEES**

- A. Make available and provide to Committees pertinent information (i.e., actions of 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.

#### **2.3.4 COMMUNITY ORGANIZATION**

- A. Screen and review pertinent information for dissemination to the proper channels.

# **PACIFIC WEST ASSOCIATION OF REALTORS®, INC.**

## **POLICIES AND PROCEDURES MANUAL**

### **Section 2. Chief Executive Officer**

- B. Attend, as a representative of Association, functions and meetings as authorized by the Board of Directors.

#### **2.3.5 ELECTION**

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

#### **2.3.6 C.A.R. AND NAR**

- A. Unless excused, attend meetings of C.A.R. and NAR, and such conferences and seminars as agreed upon between CEO and the Board of Directors, as budgeted by 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 NAR and the meetings or conventions of NAR.
- B. Act as the Regional Executive Secretary if the C.A.R. Regional Vice President is elected from Association, including taking minutes, and transmitting same to appropriate Regional members.
- C. Complete surveys and reports when appropriate, as requested by C.A.R. and NAR or the Board of Directors.
- D. Maintain liaison with other Boards/Associations of REALTORS®, C.A.R., and NAR
- 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**

##### **3.1 AUTHORITY**

Authorized as per Bylaws.

##### **3.2 PURPOSE**

The President shall be the corporate President of 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 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.

##### **3.3 QUALIFICATIONS**

As set forth in the Bylaws.

##### **3.4 POLICIES AND PROCEDURES**

###### **3.4.1 SERVE AS PRESIDENT**

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

###### **3.4.2 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 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.
- G. Meet with Committee Chairpersons and review policies, procedures, and goals for the coming year.

# **PACIFIC WEST ASSOCIATION OF REALTORS®, INC.**

## **POLICIES AND PROCEDURES MANUAL**

### **Section 3. President**

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- H. Delegate such Presidential duties as appropriate to President-Elect and/or other Officers throughout the year.
- I. Sign 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 Association and CEO.
- K. Directors, including the President, are encouraged to make an annual voluntary donation of at least \$148.00 (the true cost of doing business) and participate in the C.A.R. political action fund(s).

#### **3.4.3 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 CEO.
  - 2. Update Board of Directors event calendar as needed and communicate updates to Board of Directors via Board of Directors Master Calendar.
- B. 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 CEO 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.
- C. Conduct Executive Committee meetings monthly or as necessary.
- D. Make reasonable efforts to attend all major events and Association functions and meetings, including General membership broker/manager meetings. In the event the President is unable to attend an event or function, arrange for an alternate, such as the President-Elect, to attend.
- E. Attend all special Leadership meetings and Association's Annual Retreat.
- F. Attend all Budget and Finance Committee planning meetings.

#### **3.4.4 MEMBERSHIP**

- A. Consult with and work in cooperation with the CEO.
- B. Influence the establishment of goals and objectives for 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 Association reflect the needs and aspirations of the membership.



# **PACIFIC WEST ASSOCIATION OF REALTORS®, INC.**

## **POLICIES AND PROCEDURES MANUAL**

### **Section 3. President**

- D. Act as spokesperson and inspirational leader of 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 Association by the membership.
- G. Report activities of the Directors and Association to the members by means of letters, publications, and/or speeches.
- H. Attend Association functions and meetings.

#### **3.4.5 BUSINESS**

- A. Serve as official spokesperson for Association.
- B. Strive, in cooperation with the Budget and Finance Committee, to operate within an annual budget.
- C. Confirm that the Treasurer or CEO arranges to have 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 CEO on regular basis to discuss Association issues and agenda items for Executive Committee and Board of Director meetings.
- 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.)

#### **3.4.6 PUBLIC RELATIONS**

- A. Be the official representative of the entire membership, and promote the best interests of Association.
- B. Attend, in President's discretion, outside functions and meetings as a representative of Association.
- C. Maintain liaison with the news media, in cooperation with the CEO.
- 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 Association's region.

#### **3.4.7 SERVE AS C.A.R. AND NAR DIRECTOR**

- A. Attend C.A.R. Regional meetings.
- B. Attend C.A.R. and/or NAR Directors meetings and conventions.
- C. Serve as official voting delegate to NAR Delegate body.

# **PACIFIC WEST ASSOCIATION OF REALTORS®, INC.**

## **POLICIES AND PROCEDURES MANUAL**

### **Section 4. President-Elect**

#### **SECTION 4. PRESIDENT-ELECT**

##### **4.1 AUTHORITY**

Authorized as per Bylaws.

##### **4.2 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.

##### **4.3 QUALIFICATIONS**

As set forth in the Bylaws.

- A. A candidate or Director must have been a REALTOR® member in good standing continuously during the twelve (12) months immediately prior to being nominated and seated.
- B. A candidate or Director must have been a licensee in good standing with DRE continuously during the twelve (12) months immediately prior to being nominated and seated and be a licensee in good standing during his or her term.
- C. No more than three (3) members from the same broker-owned office or firm shall serve as a Director in any one-year, except in the case of the transfer of an elected Director to another firm, in which case he or she shall be permitted to complete the elected term.
- D. A candidate or Director may be a member of another local REALTOR® Association but may not be concurrently or simultaneously nominated, running, elected, appointed, or serving on a board of directors of another local REALTOR® Association.
- E. A candidate may not be nominated and a Director may not serve if he or she has been sanctioned for a Code of Ethics violation within the continuous twelve (12) months immediately prior to being nominated or seated or at any time during his or her term.
- F. A candidate or Director has the responsibility to immediately inform the President if he or she does not or will not meet any of the qualifications to be nominated, seated, or continue to serve, or to ascend to a following office.
- G. The President-Elect must have previously served at least one year on Association's Board of Directors prior to taking office.

##### **4.4 POLICIES AND PROCEDURES**

###### **4.4.1 PRIOR TO BECOMING PRESIDENT**

- A. Become generally familiar with, prior to taking office, Association's governing documents, such as the Bylaws, Code of Ethics and Multiple Listing Services Rules and Regulations.

# **PACIFIC WEST ASSOCIATION OF REALTORS®, INC.**

## **POLICIES AND PROCEDURES MANUAL**

### **Section 4. President-Elect**

- 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 NAR representatives in a timely fashion, subject to confirmation by the Board of Directors.

#### **4.4.2 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 Retreat
  - 2. All General membership and broker/manager meetings
  - 3. At least one and preferably more than one scheduled New Member Orientation meeting
  - 4. Represent the President and/or Association at other individual or joint local association meetings or events (other association's installations), as requested by President

#### **4.4.3 ORIENTATION**

- A. Attend a Directors Orientation currently with Association's Annual Retreat on legal duties and become generally familiar with 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 NAR, C.A.R., and/or Association and minimally at least once every other year no later than the first quarter of their first year in office.
- C. Sign Association's Confidentiality Agreement and Conflict of Interest Code prior to taking office and on an annual basis thereafter.

#### **4.4.4 SERVE AS C.A.R. DIRECTOR**

- A. Attend C.A.R. Regional meetings unless excused, as defined herein.
- B. Attend C.A.R. and NAR Leadership Conferences.
- C. Attend C.A.R. and/or NAR Directors meetings and conventions.
- D. Set Annual Retreat dates and criteria as soon as possible with the CEO.
- E. Serve as member and/or Chairperson of all appointed Task Force Committees and/or President's Advisory Groups, as needed.

# **PACIFIC WEST ASSOCIATION OF REALTORS®, INC.**

## **POLICIES AND PROCEDURES MANUAL**

### **Section 5. Vice President**

#### **SECTION 5. VICE PRESIDENT**

##### **5.1 AUTHORITY**

Authorized as per Bylaws.

##### **5.2 PURPOSE**

Responsible for governing Association as an elected or appointed Director to serve the interests of the Board of Directors, the general membership of Association, and the public. Shall assist the President and other members of the Board of Directors. It is recommended that he/she serve as a C.A.R. Director.

##### **5.3 QUALIFICATIONS**

As set forth in the Bylaws.

- A. A candidate or Director must have been a REALTOR® member in good standing continuously during the twelve (12) months immediately prior to being nominated and seated.
- B. A candidate or Director must have been a licensee in good standing with DRE continuously during the twelve (12) months immediately prior to being nominated and seated and be a licensee in good standing during his or her term.
- C. No more than three (3) members from the same broker-owned office or firm shall serve as a Director in any one-year, except in the case of the transfer of an elected Director to another firm, in which case he or she shall be permitted to complete the elected term.
- D. A candidate or Director may be a member of another local REALTOR® Association but may not be concurrently or simultaneously nominated, running, elected, appointed, or serving on a board of directors of another local REALTOR® Association.
- E. A candidate may not be nominated and a Director may not serve if he or she has been sanctioned for a Code of Ethics violation within the continuous twelve (12) months immediately prior to being nominated or seated or at any time during his or her term.
- F. A candidate or Director has the responsibility to immediately inform the President if he/she does not or will not meet any of the qualifications to be nominated, seated, or continue to serve, or to ascend to a following office.

##### **5.4 POLICIES AND PROCEDURES**

###### **5.4.1 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.

# **PACIFIC WEST ASSOCIATION OF REALTORS®, INC.**

## **POLICIES AND PROCEDURES MANUAL**

### **Section 5. Vice President**

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#### **5.4.2 ORIENTATION**

- A. Attend a Directors Orientation concurrent with Association's Annual Retreat on legal duties and become generally familiar with 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 NAR, C.A.R., and/or Association and minimally at least once every other year no later than the first quarter of their first year in office.
- C. Sign Association's Confidentiality Agreement and Conflict of Interest Code prior to taking office and on an annual basis thereafter.

#### **5.4.3 MEETINGS**

Attend all regular and special Board of Directors meetings and all major events of Association, including:

- A. Annual Retreat
- B. All General membership and broker/manager meetings
- C. 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
- D. Act as presiding officer at Board of Director meeting in the absence of the President and President-Elect, on request.
- E. 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**

##### 6.1 AUTHORITY

Authorized as per Bylaws.

##### 6.2 PURPOSE

The Secretary/Treasurer is the corporate Secretary and Treasurer (CFO) of Association and shall work with staff on monthly and annual income and expense reports, budgets, tax returns, the receipt and disbursement of funds. It shall be the duty of the Secretary/Treasurer or designee(s), including the CEO, to keep the records of the Board of Directors and to carry on all necessary correspondence with NAR and C.A.R., and otherwise. The Secretary/Treasurer shall be a member of the Executive Committee.

##### 6.3 QUALIFICATIONS

As set forth in the Bylaws.

- A. A candidate or Director must have been a REALTOR® member in good standing continuously during the twelve (12) months immediately prior to being nominated and seated.
- B. A candidate or Director must have been a licensee in good standing with DRE continuously during the twelve (12) months immediately prior to being nominated and seated and be a licensee in good standing during his or her term.
- C. No more than three (3) members from the same broker-owned office or firm shall serve as a Director in any one-year, except in the case of the transfer of an elected Director to another firm, in which case he or she shall be permitted to complete the elected term.
- D. A candidate or Director may be a member of another local REALTOR® Association but may not be concurrently or simultaneously nominated, running, elected, appointed, or serving on a board of directors of another local REALTOR® Association.
- E. A candidate may not be nominated and a Director may not serve if he or she has been sanctioned for a Code of Ethics violation within the continuous twelve (12) months immediately prior to being nominated or seated or at any time during his or her term.
- F. A candidate or Director has the responsibility to immediately inform the President if he/she does not or will not meet any of the qualifications to be nominated, seated, or continue to serve, or to ascend to a following office.

##### 6.4 POLICIES AND PROCEDURES

###### 6.4.1 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 CEO.
- C. Leads discussion with Budget and Finance Committee during its budget planning meeting.

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

**Section 6. Secretary/Treasurer**

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- 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.

**6.4.2 SERVE AS SECRETARY/TREASURER**

- A. Serve as Secretary/Treasurer (CFO) for one year.
- B. Present monthly financial status report to the Board of Directors.
- C. Chair and meet monthly or as needed with the Budget and Finance Committee.
- D. Arrange for the annual proposed budget to be presented at the annual planning meeting of the Budget and Finance Committee.
- E. Arrange, with assistance of the Vice President of Finance and Administration, for an annual audit to be prepared by Association's CPA. Review the annual audit with the CPA, and present the completed annual audit to the Budget and Finance Committee.
- F. Review the annual Tax Returns of Association.
- G. Be available to sign checks and contracts, as necessary.
- H. Meet monthly, or as needed, with the Budget and Finance Committee and the CEO and/or CPA or financial investment manager to review Association's financial position.
- I. Review financial reports and make recommendations to the Board of Directors.
- J. Attend all major events of Association, including:
  - 1. Annual Retreat and all planning meetings; and
  - 2. All General membership and broker/manager meetings.

# **PACIFIC WEST ASSOCIATION OF REALTORS®, INC.**

## **POLICIES AND PROCEDURES MANUAL**

### **Section 7. Immediate Past President**

#### **SECTION 7. IMMEDIATE PAST PRESIDENT**

##### 7.1 AUTHORITY

Authorized as per Bylaws.

##### 7.2 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.

##### 7.3 QUALIFICATIONS

As set forth in the Bylaws.

- A. A candidate or Director must have been a REALTOR® member in good standing continuously during the twelve (12) months immediately prior to being nominated and seated.
- B. A candidate or Director must have been a licensee in good standing with DRE continuously during the twelve (12) months immediately prior to being nominated and seated and be a licensee in good standing during his or her term.
- C. No more than three (3) members from the same broker-owned office or firm shall serve as a Director in any one-year, except in the case of the transfer of an elected Director to another firm, in which case he or she shall be permitted to complete the elected term.
- D. A candidate or Director may be a member of another local REALTOR® Association but may not be concurrently or simultaneously nominated, running, elected, appointed, or serving on a board of directors of another local REALTOR® Association.
- E. A candidate may not be nominated and a Director may not serve if he or she has been sanctioned for a Code of Ethics violation within the continuous twelve (12) months immediately prior to being nominated or seated or at any time during his or her term.
- F. A candidate or Director has the responsibility to immediately inform the President if he/she does not or will not meet any of the qualifications to be nominated, seated, or continue to serve, or to ascend to a following office.

##### 7.4 POLICIES AND PROCEDURES

###### 7.4.1 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 years' 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.



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

**Section 7. Immediate Past President**

- E. Sign Association's Confidentiality Agreement and Conflict of Interest Code prior to taking office and on an annual basis thereafter.
- F. Serve as member and/or Chairperson of all appointed Task Force Committees and/or President's Advisory Groups, as needed.

**7.4.2 MEETINGS**

- A. Make reasonable efforts to attend all major events of Association, including:
  - 1. Annual Retreat;
  - 2. All leadership gatherings as set out by President; and
  - 3. 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**

##### 8.1 AUTHORITY

Authorized as per Bylaws.

##### 8.2 PURPOSE

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

##### 8.3 QUALIFICATIONS

As set forth in the Bylaws.

- A. A candidate or Director must have been a REALTOR® member in good standing continuously during the twelve (12) months immediately prior to being nominated and seated.
- B. A candidate or Director must have been a licensee in good standing with DRE continuously during the twelve (12) months immediately prior to being nominated and seated and be a licensee in good standing during his or her term.
- C. No more than three (3) members from the same broker-owned office or firm shall serve as a Director in any one-year, except in the case of the transfer of an elected Director to another firm, in which case he or she shall be permitted to complete the elected term.
- D. A candidate or Director may be a member of another local REALTOR® Association but may not be concurrently or simultaneously nominated, running, elected, appointed, or serving on a board of directors of another local REALTOR® Association.
- E. A candidate may not be nominated and a Director may not serve if he or she has been sanctioned for a Code of Ethics violation within the continuous twelve (12) months immediately prior to being nominated or seated or at any time during his or her term.
- F. A candidate or Director has the responsibility to immediately inform the President if he/she does not or will not meet any of the qualifications to be nominated, seated, or continue to serve, or to ascend to a following office.
- G. The President-Elect must have previously served at least one year on Association's Board of Directors prior to taking office.

##### 8.4 POLICIES AND PROCEDURES

###### 8.4.1 SERVE AS DIRECTOR

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

# **PACIFIC WEST ASSOCIATION OF REALTORS®, INC.**

## **POLICIES AND PROCEDURES MANUAL**

### **Section 8. REALTOR® Member Directors**

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#### **8.4.2 ORIENTATION**

- A. Attend a Directors Orientation concurrent with Association's Annual Retreat on legal duties and become generally familiar with 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 NAR, C.A.R., and/or Association and minimally at least once every other year no later than the first quarter of their first year in office.
- C. Sign Association's Confidentiality Agreement and Conflict of Interest Code before-attending the Annual Retreat and on an annual basis thereafter.
- D. Have electronic mail capability in order to be able to receive notices and information from Association and CEO.
- E. Directors are encouraged to make an annual voluntary donation of at least \$148.00 (the true cost of doing business) and participate in the C.A.R. political action fund(s).

#### **8.4.3 MEETINGS**

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

- A. Annual Retreat and all planning meetings;
- B. All General membership and broker/manager meetings; and
- C. At least one New Member Orientation meeting.

#### **8.4.4 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. C.A.R. DIRECTORS**

##### 9.1 AUTHORITY

Authorized as per Bylaws.

##### 9.2 PURPOSE

Responsible for governing C.A.R. as an elected or appointed director of its policy making body.

##### 9.3 QUALIFICATIONS

9.3.1 As set forth in the Bylaws of C.A.R.

9.3.2 The following criteria must be met in order to make application as a C.A.R. Director representing Association:

- A. Must be a member in good standing of 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 C.A.R. 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 to which appointed.
- F. Directors are encouraged to make an annual voluntary donation of at least \$148.00 (the true cost of doing business) and participate in the C.A.R. political action fund(s).

##### 9.4 POLICIES AND PROCEDURES

9.4.1 SERVE AS A DIRECTOR OF C.A.R.

- A. Membership is set by C.A.R. for a one-year term.
- B. First-time Directors MUST attend the C.A.R. New Director orientation.
- C. C.A.R. Directors serve at the pleasure of the President and may be removed at any time.
- D. Any Director with an unexcused absence shall be automatically deemed removed. 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**

#### **9.4.2 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 C.A.R. Directors who are not current members of 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.

#### **9.4.3 C.A.R. 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 C.A.R. Directors.
- C. The total number of C.A.R. Directors (including those selected to serve as C.A.R. Honorary 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 C.A.R. in determining the number of Association Directors for the following year.
- D. C.A.R. Honorary Directors-For-Life and C.A.R. Committee Chairpersons-elect or Committee members-Elect may apply for a funded C.A.R. Director position as applicable, provided they complete an application, meet the criteria, and submit for consideration by the published due date.

#### **9.4.4 REGIONAL AND STATE MEETINGS**

- A. Must be willing and available to travel to and attend C.A.R. Directors Sessions, including the following:
  - 1. Three (3) regular meetings each year, on dates and at places to be determined by the C.A.R. Board of Directors; and
  - 2. Special meetings as may be called by the President of C.A.R.; 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 President.
  - 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. C.A.R. 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 expenses. Association is required to issue a Form 1099 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 C.A.R. 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

# **PACIFIC WEST ASSOCIATION OF REALTORS®, INC.**

## **POLICIES AND PROCEDURES MANUAL**

### **Section 9. C.A.R. Directors**

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- addition, if a Director arrives late or leaves a meeting early, with an excuse approved by the President, 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 C.A.R. 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 Association shall be the sole responsibility of the Director.

#### **9.4.5 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 and 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. NAR Directors**

#### **SECTION 10. NAR DIRECTORS**

##### 10.1 AUTHORITY

Authorized as per Bylaws.

##### 10.2 PURPOSE

Responsible for governing NAR as an elected or appointed member of its policy-making body by Association.

##### 10.3 QUALIFICATIONS

###### 10.3.1 As set forth in the Bylaws of NAR

###### 10.3.2 The following criteria must be met in order to serve as an NAR Director representing Association:

- A. The President of Association shall always serve as an NAR Director during his/her year of service as President.
- B. Must be a member in good standing of Association.
- C. Must be a C.A.R. Director during the term as an NAR 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 NAR 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 contribute at least at the California Silver Bear level, indicating their commitment to organized real estate and political involvement.

##### 10.4 POLICIES AND PROCEDURES

###### 10.4.1 SERVE AS A DIRECTOR OF NAR

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

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

**Section 10. NAR Directors**

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10.4.2 SELECTION.

- A. Association's President is automatically an NAR Director.
- B. A Selection Task Force appointed by the President selects the remaining Directors from applicants who meet the applicable criteria.
- C. The Selection Task Force consists of at least three (3) REALTOR® members in good standing.
- D. The Selection Task Force is chaired by the President-Elect.
- E. The Task Force reviews each timely submitted candidate application in accordance with established NAR policy and recommends approval to the Board of Directors.
- F. Candidates must be approved by the Board of Directors.



# **PACIFIC WEST ASSOCIATION OF REALTORS®, INC.**

## **POLICIES AND PROCEDURES MANUAL**

### **Section 11. All Committees**

#### **SECTION 11. ALL COMMITTEES**

##### **11.1 AUTHORITY**

Authorized as per Bylaws and/or NAR policies.

##### **11.2 MEMBERSHIP AND TERM**

Any primary REALTOR® members in good standing of Association who are not nominated, running, elected or serving on a board of directors or a committee or task force of another local REALTOR® 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.

##### **11.3 QUORUM**

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

##### **11.4 POLICIES AND PROCEDURES**

###### **11.4.1 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's Attorney and CPA must be channeled through the President and/or the CEO.
- C. No Committee may contractually or financially bind or obligate Association or its membership without the written approval of Board of Directors.
- D. All correspondence, contracts, and advertisements must be directed to Association business office address to the attention of the CEO.
- E. All correspondence and/or press releases shall be approved by the President and/or the CEO and processed through office staff.
- F. Association stationery shall not be used without the express written permission of the CEO.
- G. If provided by Association, Committee Chairpersons shall attend an orientation regarding legal duties provided by Association.
- H. Committee Chairpersons shall abide by and may receive a copy of the following:

# **PACIFIC WEST ASSOCIATION OF REALTORS®, INC.**

## **POLICIES AND PROCEDURES MANUAL**

### **Section 11. All Committees**

1. Association Bylaws
  2. Policies and Procedures Manual
  3. Rules and Regulations of particular Committee, if any
  4. Conflict of Interest Code
- I. Committee members shall sign Association's Confidentiality Agreement and Conflict of Interest Code prior to taking office.

#### **11.4.2 MEETING CALL AND NOTICE**

- A. May be called by the Chairperson, any two Committee members, or the President.
- B. Shall be scheduled through 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.

#### **11.4.3 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 CEO.

#### **11.4.4 REPORTING**

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

#### **11.4.5 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 CEO 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 Association must follow the procedure set forth in item B under Fiscal Responsibility.

# **PACIFIC WEST ASSOCIATION OF REALTORS®, INC.**

## **POLICIES AND PROCEDURES MANUAL**

### **Section 12. Grievance Committee**

#### **SECTION 12. GRIEVANCE COMMITTEE**

##### **12.1 AUTHORITY**

The Grievance Committee is a Standing Committee authorized by NAR, C.A.R., and Association's Bylaws.

##### **12.2 PURPOSE**

- 12.2.1 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.
- 12.2.2 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.
- 12.2.3 THE GRIEVANCE COMMITTEE DOES NOT CONDUCT HEARINGS AND DOES NOT DETERMINE IF A VIOLATION OF THE CODE OF ETHICS HAS OCCURRED.

##### **12.3 COMPOSITION**

The Grievance Committee is composed of two separate Grievance Panels, each with its own Chairperson.

##### **12.4 QUORUM**

Majority of Committee members.

##### **12.5 MEMBERSHIP AND TERM**

- 12.5.1 The President shall annually appoint for staggered three (3) year terms, subject to approval by the Board of Directors all of whom shall be REALTOR® members in good standing of Association and participants in Association's Multiple Listing Service or subscribers.
- 12.5.2 Members shall be in compliance with the Regulations of the Real Estate Commissioner for one year immediately prior to being appointed and when appointed.
- 12.5.3 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.
- 12.5.4 Members shall not have been placed on probation by the DRE one year prior to being appointed or when appointed.
- 12.5.5 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.
- 12.5.6 The President or President-Elect shall annually designate the Chairperson of the Committee, subject to confirmation by the Board of Directors.

# **PACIFIC WEST ASSOCIATION OF REALTORS®, INC.**

## **POLICIES AND PROCEDURES MANUAL**

### **Section 12. Grievance Committee**

12.5.7 The CEO or his/her designee shall serve as the Secretary of the Committee.

12.5.8 Committee members must have attended a Professional Standards Training after appointment to the Grievance Committee and at least every two (2) years.

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

#### **12.6 MEETINGS**

12.6.1 The CEO and/or his/her designee shall be present at all Committee meetings.

12.6.2 There shall be no restriction on attendance at general business meetings of the Grievance Committee.

12.6.3 Meetings to discuss cases shall be restricted to Committee members, the CEO and/or his/her designee, and/or legal counsel for Association only.

#### **12.7 DUTIES**

12.7.1 The Chairperson shall chair the meetings, assign cases and may, at his/her discretion, review cases.

12.7.2 In the absence of the Chairperson, the Vice Chairperson shall assume the duties of the Chairperson.

12.7.3 The CEO or his/her designee shall have no voting rights.

#### **12.8 POLICIES AND PROCEDURES**

##### **12.8.1 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.

##### **12.8.2 MANUAL AMENDMENTS**

A. The Secretary (CEO) 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 (CEO) or his/her designee for the setting of a hearing.

##### **12.8.3 ASSISTING COMPLAINANT TO PREPARE COMPLAINT**

In the event the complaint is from a client, customer, or a member of the general public and the Grievance Committee determines that the complaint is vague, overly general, does not allege violations of specific Articles,

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**Section 12. Grievance Committee**

or is otherwise insufficient on its face, the Chairperson may assign a member of the Grievance Committee to assist the complainant in preparing the complaint in proper form. The member providing such assistance shall not participate in any consideration or deliberations of the Grievance Committee with respect to the matter and is not and may not act as the complainant's advocate or representative. In such cases, the respondent shall receive the revised complaint with the original complaint and all other supporting documentation provided by the complainant incorporated as an appendix.

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### **Section 13. Professional Standards Committee**

#### **SECTION 13. PROFESSIONAL STANDARDS COMMITTEE**

##### 13.1 AUTHORITY

The Professional Standards Committee is a Standing Committee authorized by NAR, C.A.R., and Association's Bylaws.

##### 13.2 PURPOSE

13.2.1 Responsible for enforcement of the NAR 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.

13.2.2 Provides procedures for enforcement of the NAR Code of Ethics, Multiple Listing Service Rules and Association Bylaws or Rules.

13.2.3 Provides hearings for alleged violations of the NAR Code of Ethics, Multiple Listing Service Rules and Association Bylaws or Rules.

13.2.4 Provide arbitration hearings pursuant to NAR Code of Ethics Article 17 disputes between REALTORS® or REALTOR® and their clients.

13.2.5 Provides an Ethics Advocate.

##### 13.3 QUORUM

###### 13.3.1 COMMITTEE MEETINGS

Majority of Committee members.

###### 13.3.2 HEARINGS

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

##### 13.4 MEMBERSHIP AND TERM

13.4.1 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 60 to 85 members.

13.4.2 Members must have served on the Grievance Committee.

13.4.3 Committee members must have attended a Professional Standards Training after appointment to the Grievance Committee and at least every two (2) years.

13.4.4 Members shall be in compliance with the Regulations of the Real Estate Commissioner for one year immediately prior to being appointed and when appointed.

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- 13.4.5 Members shall be licensed by DRE and such license shall not have been restricted at the time of appointment or one year immediately prior to being appointed.
- 13.4.6 Members shall not have been placed on probation by DRE one year prior to being appointed or when appointed.
- 13.4.7 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.
- 13.4.8 Members shall be licensed by the DRE and in compliance with the Regulations of the Real Estate Commissioner when appointed.
- 13.4.9 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.
- 13.4.10 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.

### **13.5 POLICIES AND PROCEDURES**

#### **13.5.1 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.

#### **13.5.2 CONFIDENTIALITY**

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

#### **13.5.3 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.

#### **13.5.4 FEES**

Association may charge the maximum fees allowed as outlined in the most current *NAR 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.

#### **13.5.5 PRE-HEARING MEETING**

- A. When the Grievance Committee refers ethics complaints and arbitration requests for hearing, the hearing panel chair can determine if questions about
  - (1) Whether ethics complaints and arbitration requests are timely filed,
  - (2) Whether arbitrable issues exist,
  - (3) Whether arbitration requests are too legally complex to be fairly arbitrated, and
  - (4) Other administrative issues,will be addressed through a pre-hearing meeting of the hearing panel or at the outset of the hearing prior to testimony relating to the ethics complaint or arbitration request commencing. If these matters arise during a hearing, the hearing panel will address them at that time.

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- B. Dismissals of ethics complaints and arbitration requests by hearing panels can be appealed to the Board of Directors on the same bases as dismissals by the Grievance Committee.
- C. Where such issues are considered at a pre-hearing meeting of the hearing panel, the chair will determine whether the parties may be present, and the extent to which their participation will be permitted.

#### 13.5.6 ARBITRATION AWARD ENFORCEMENT (Date of implementation, January 1, 2016.)

##### A. "SHOW CAUSE" HEARING"

1. After the arbitration award is final (and any appeals to Association have been completed), the prevailing party may request a "show cause" hearing if the non-prevailing party has not paid the award within fifteen (15) days after the due date. The sole purpose of the "show cause" hearing is to determine why the non-prevailing party failed to timely pay the arbitration award and not to re-argue the merits or procedural deficiencies of the matter. The "show cause" hearing is before a panel of three Directors.
2. Both parties may attend the "show cause" hearing. The non-prevailing party will be asked to "show cause" as to why he or she did not timely pay the arbitration award. If the non-party pays the full award amount, including any accrued interest, to the prevailing party at any time prior to the "show cause" hearing, the "show cause" hearing will be dismissed, and the case will be considered closed.
3. Both parties may call witnesses, present evidence, and be represented by legal counsel. The procedures for the "show cause" hearing will be the same as those used for a review hearing to the extent they are applicable to the sole issue of nonpayment of the award. In order to help the Directors determine what evidence is relevant in the "show cause" hearing, the Directors should refer to the "Ability to Pay Checklist" (which can be found in the Appendices section of the *Professional Standards Reference Manual*).

##### B. AFTER "SHOW CAUSE HEARING"

Following the "show cause" hearing, the Directors may: (1) take no action; (2) suspend the non-prevailing party's Association membership; or (3) set a schedule for payment of the arbitration award to the prevailing party.

###### 1. TAKE NO ACTION

The Directors have sole discretion to determine whether the non-payment of the award is justified due to the party's financial circumstances. Association's counsel may provide guidance on exceptions and other factors. If the Directors take no action, it does not invalidate the award and the prevailing party may still pursue judicial enforcement of the award which could convert the award to an enforceable judgment which can be renewed and enforced against the non-prevailing party as they acquire resources or property. The prevailing party may not request more than one "show cause" hearing.

###### 2. SUSPENSION OF MEMBERSHIP

- a. The non-prevailing party's membership will be suspended for thirty (30) days or until the award plus interest is paid to the prevailing party, whichever is longer. Interest begins to accrue on the arbitration award starting from the due date on the award, at



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the statutory interest rate of ten percent (10%) per annum. The suspension may be held in abeyance as described below.

- b. After the “show cause” hearing, the suspension will be enforced:
  - 1) After the award is confirmed or modified by a court, but only if it is not paid by the date ordered by the court (or within fifteen (15) days after the court order if the order does not provide a due date); or
  - 2) If no court action is filed, one hundred and one (101) days after the award is finalized.
  - 3) Interest will accrue at the legal rate of ten percent (10%) until the award is paid, and the non-prevailing party may be liable for court costs and attorneys’ fees if they lose a court action.
  - 4) The arbitration enforcement policy does not preclude Association from funding court confirmations of arbitration awards administered through its facilities as Association sees fit.
  - 5) A member who has been suspended for failure to timely pay an arbitration award will have his or her name and photo published in accordance with C.A.R.’s publication policy. Abiding by an arbitration award is a membership duty, and the suspension of membership for failure to timely pay the award is a form of discipline that subjects a member to publication under the current C.A.R. policy.

#### **C. PAYMENT PLAN**

The Directors may set up the timing or amounts of each payment under the payment plan, except that each payment must include at least the amount of interest accrued since the last payment (at ten percent (10%) per annum) plus a portion of the principal amount (i.e., the award). The non-prevailing party’s membership will be suspended if the full amount of any payment is not timely received. The prevailing party may notify Association of any non-payment or partial payment, and Association will send the non-prevailing party notice, with a short turnaround time, to provide evidence of full payment. If the non-prevailing party does not provide evidence of full payment by the deadline, Association may suspend the non-prevailing party’s membership until the full payment is made. The prevailing party is not precluded from pursuing a court confirmation notwithstanding the payment plan.

#### **D. JUDICIAL PROCEDURE**

1. In addition to requesting a “show cause” hearing pursuant to Association’s arbitration enforcement policy, the award recipient can seek judicial enforcement of the award if the non-prevailing party has not timely paid the award. The court will generally confirm an award and order payment unless Association failed to adhere to its procedures or the arbitrators failed to provide due process, in which case the court may order a new hearing. All legal costs, including attorney’s fees incurred to enforce the award, should be requested in the petition for confirmation.
2. Whether or not a party requests a review by the Directors, each party has the right to petition the court to confirm or vacate the award. If either party wishes to do so, he must contact an attorney to ascertain the appropriateness of such an action. A petition to vacate an award is rarely granted. The grounds for vacating an award are narrow and the court gives great deference to the decision of the arbitrators.

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3. The grounds for vacating an award are:
  - a. The award was procured by corruption, fraud or other undue means;
  - b. There was corruption of any of the arbitrators;
  - c. The rights of a party were substantially prejudiced by misconduct of a neutral arbitrator;
  - d. The arbitrators exceeded their powers affecting the merits of the case;
  - e. The rights of a party were substantially prejudiced because the arbitrators failed to postpone a hearing upon sufficient cause shown, failed to hear all material evidence or failed to provide full due process to the parties; or
  - f. An arbitrator failed to disqualify himself/herself, upon receipt of a timely request, if a judge would have been required to disqualify himself/herself if the matter had been heard in court.
4. If an award is confirmed, a judgment shall be entered as in a civil matter and may be enforced like any other judgment of the court. If an award is vacated, the matter will be reheard under these procedures unless otherwise ordered by the court.
5. A petition to vacate an award must be filed within 100 calendar days of the date of the service on the petitioner of a signed copy of the award.
6. A petition to confirm an award must be filed within four (4) years of service on the petitioner of a signed copy of the award.

### 13.6 REMOTE TESTIMONY POLICY & GUIDELINES

#### 13.6.1 PROCEDURE FOR REMOTE TESTIMONY REQUESTS PRIOR TO HEARING

- A. Unless stipulated in writing by all parties to the proceeding that remote testimony is acceptable, a party (or witness) requesting remote testimony at an arbitration or disciplinary hearing must send a request in writing no later than fifteen calendar (15) days before the hearing to the Professional Standards Administrator. The request must be copied to all parties and known counsel or other representative and must clearly set forth by sworn declaration:
  1. The reason(s) why postponement or rescheduling to permit personal attendance is not feasible, and
  2. The reason(s) why the remote party's (or witness') participation is necessary to have a fair hearing, and
  3. The reason(s) for the need for remote testimony, such as distance, disability or other travel restriction. This sworn declaration should be done with specificity.
- B. Opposing Party will have (5) five days after receipt of this request to respond in writing objecting to the remote testimony. Copies of Opposing Party's response must be sent to the Professional Standards Administrator and copied to all parties and known counsel or other representative. Silence will be deemed as a non-objection.

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- C. The Administrator will present the request and any opposition to the Hearing Panel Chair and will subsequently notice all parties, either approving or refusing remote testimony. If approved, the notice will set forth the time and method of remote testimony. If the request is made prior to the hearing being scheduled, the Professional Standards Chairperson will approve or deny the request.

#### **13.6.2 IMPLEMENTING APPROVED REMOTE TESTIMONY**

- A. Association has the option, at Association's discretion, to require the location of the remote testimony to be at a bank, at a local Association of REALTORS®, or some other location designated by Association.
- B. The Professional Standards Administrator will notify the remote parties and the remotely testifying party or witness of the conditions imposed, including how and where the remote testimony will take place at the time the request for remote testimony is granted.
- C. Association may also require or allow video conferencing or other electronic conferencing, with the party requesting the remote testimony to bear any related costs or expenses.

#### **13.6.3 PROCEDURES FOR REMOTE TESTIMONY AT TIME OF HEARING**

- A. The Presiding Officer will assure the identity of the person testifying by reasonable means.
- B. The Presiding Officer will swear in the remote party/witness. No testimony will be permitted until the parties and/or witnesses have been sworn in.
- C. Once a party/witness is sworn in, he/she must declare that he/she is speaking of his/her own free and is not under duress of any kind.
- D. The Presiding Officer will confirm if anyone is present with the party/witness.
- E. Only parties eligible to attend the entire hearing in person are entitled to participate remotely for the entirety of the hearing. Witnesses may only participate remotely for their own testimony.
- F. The Presiding Officer will confirm that the confidentiality of the hearing is not compromised, either by the presence of unauthorized participants at the remote location, or by the nature of the remote location itself, or in any other manner.
- G. The Presiding Officer will provide instruction that cross-talk or talking at the same time as another individual is strictly prohibited.
- H. The Presiding Officer will confirm that the remote party/witness has access to email and/or a fax machine in the event documents are submitted by the opposing party that require review by the party/witness.
- I. If the party/witness is using a cell phone, he/she should be reminded that the hearing may take several minutes, and that the party/witness should make sure they have sufficient battery life.
- J. If the party/witness is using the telephone to submit testimony, the caller should be instructed that he/she is responsible for reconnecting with the panel at the earliest moment, if the party/witness gets disconnected. Failure to immediately reconnect could result in incomplete testimony and may impact the Hearing Panel's consideration of the testimony.
- K. Remote Testimony may be terminated at the discretion of the Panel at any time.

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13.6.4 PRESENCE OF ATTORNEY

If the remote party/witness is represented by an attorney or accompanied by another individual who will also be speaking on the record, NAR rules require counsel's personal appearance. Counsel is permitted to participate in ethics or arbitration hearings only in the physical presence of Hearing Panels.

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## **POLICIES AND PROCEDURES MANUAL**

### **Section 14. Mediation/Ombudsman Committee**

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#### **SECTION 14. MEDIATION/OMBUDSMAN COMMITTEE**

##### 14.1 AUTHORITY

The Mediation/Ombudsman Committee is a subcommittee of the Professional Standards Committee and is authorized by NAR, C.A.R., Association's Bylaws, and the Board of Directors.

##### 14.2 PURPOSE

- 14.2.1 Conduct mediation activities in accordance with procedures set forth in NAR's Buyer-Seller Dispute Resolution System ("DRS") Mediation Program and California law.
- 14.2.2 Conduct ombudsman activities in accordance with procedures set forth in NAR's Buyer-Seller Dispute Resolution System ("DRS") Mediation Program and California law.
- 14.2.3 Provide ongoing training to members of the Committee to maintain the desired high level of standards.
- 14.2.4 Inform Association members of the benefits of mediation.
- 14.2.5 Provide mediation and/or ombudsman services and information to the members of Association, and, in time, to members of the Commercial Association, to the general public, and to other associations.

##### 14.3 MEMBERSHIP AND TERM

- 14.3.1 The Mediation/Ombudsman Committee shall be composed of no fewer than six members, each of whom shall serve a minimum term of three years. Terms should be staggered for purposes of continuity.
- 14.3.2 Absence from a mediation conference previously committed to, or absence from two 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.
- 14.3.3 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.
- 14.3.4 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.

##### 14.4 QUALIFICATIONS

- 14.4.1 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.

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14.4.2 Approved training, qualifications and standards required for members to become a mediator are as follows:

- A. A minimum of five 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 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 President and Board of Directors.
- C. Must have previously served as a panelist in at least five ethics and/or arbitration hearing for Professional Standards. Each mediator shall have chaired at least two ethics and/or arbitration panels for Professional Standards and shall be thoroughly familiar with the California Code of Ethics and Arbitration Manual, and Association's 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.

#### 14.5 QUALITY MAINTENANCE

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

- 1. Association's Bylaws;
- 2. Association's MLS Rules and Regulations;
- 3. The C.A.R. Code of Ethics and Arbitration Manual; and,
- 4. Other relevant materials.

#### 14.6 COMMITTEE POLICIES AND PROCEDURES

##### 14.6.1 COMMITTEE MEETINGS

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

##### 14.6.2 QUORUM

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

##### 14.6.3 BUDGET

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

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### **Section 14. Mediation/Ombudsman Committee**

#### **14.6.4 INSURANCE**

Association 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, Association shall indemnify and hold harmless all Mediation/Ombudsman Committee members acting as mediators or ombudsmen for Association's process.

#### **14.6.5 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.

#### **14.6.6 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.

### **14.7 MEDIATION PROCEDURES**

#### **14.7.1 LEVELS OF MEDIATOR EXPERIENCE**

##### **A. SENIOR CERTIFIED MEDIATOR**

A mediator who has conducted five or more mediation conferences on a professional basis; who has been a member of the Mediation/Ombudsman Committee for a minimum of two years; and who has a minimum of twenty 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 mediation conferences.

#### **14.7.2 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 Association to undue liability, or where it is known that a criminal (or in some instances a civil case) concerning the parties to the matter is pending.

#### **14.7.3 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). Ombudsmen shall be specially trained and designated in accordance with policies adopted.

#### **14.7.4 DISPUTES NOT INVOLVING REALTORS®**

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### **Section 14. Mediation/Ombudsman Committee**

For disputes involving buyers, sellers, and real estate brokers/salespersons, mediations shall be conducted in accordance with NAR's Buyer-Seller DRS Mediation Program and shall implement all guidelines, policies, and procedures of NAR's Buyer-Seller DRS Mediation Program accordingly.

#### **14.8 OMBUDSMAN PROCEDURES**

##### **14.8.1 INTRODUCTION**

- A. Association is charged by NAR with the responsibility of receiving and resolving ethics complaints. This obligation is carried out by the Grievance Committee, the Professional Standards Committee, and the Association's Rapid Ethics Delivery ("RED") program (the "Program") which operates pursuant to NAR guidelines and includes the Ombudsman process.
- B. Many complaints received by Association do not expressly allege violations of specific Articles of the REALTOR® Code of Ethics, and many do not detail conduct related to the Code of Ethics. Some complaints are actually transactional, technical, or procedural questions and can be readily responded to and are appropriate for early intervention through an Ombudsman.
- C. Many ethics complaints or inquiries might be averted with enhanced communications and initial problem-solving capacity, as more fully spelled out in the Program. The Ombudsman process is intended to provide that capacity.

##### **14.8.2 ROLE OF OMBUDSMAN**

The Ombudsman's role is primarily one of communication and conciliation, not adjudication. Ombudsmen do not determine whether ethics violations have occurred; rather, they anticipate, identify, and resolve misunderstandings and disagreements before matters ripen into larger disputes and possible charges of more serious unethical conduct.

##### **14.8.3 QUALIFICATIONS AND CRITERIA FOR OMBUDSMEN**

- A. The Board of Directors will make or approve appointment of Ombudsmen.
- B. At a minimum, Ombudsmen will be familiar with the REALTOR® Code of Ethics, basic California real estate regulations, and current real estate practice.
- C. Ombudsmen will be experienced REALTOR® members acting on behalf of PWR>
- D. Ombudsmen will attend training.
- E. Ombudsmen will serve terms set by the Board of Directors.
- F. Ombudsmen serve without compensation.
- G. Participating Ombudsmen agree to the terms of the Program described in this policy.

##### **14.8.4 INVOLVING THE OMBUDSMAN**

###### **A. COMPLAINTS INVOLVING PUBLIC TRUST**

- 1. Ethics complaints that allege violations of the Public Trust (stealing from a client, discrimination, and/or misrepresentation causing financial harm) may not be referred to an Ombudsman.



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2. If the Ombudsman concludes that a potential violation of the Public Trust may have occurred, the Ombudsman process must be immediately terminated. The parties will be advised of their right to pursue a formal ethics complaint; to pursue a complaint with any appropriate governmental or regulatory body; to pursue litigation; and/or to pursue any other available remedy. No legal advice can or will be given.

#### B. COMPLAINTS REFERRED TO OMBUDSMEN

1. Upon Association's receipt of a timely written ethics complaint in the appropriate form, Association's Professional Standards Manager or CEO shall be solely responsible to determine whether a complaint may be appropriate for the Program and for an Ombudsman to attempt to resolve the matter.
2. NAR allows considerable latitude in determining how and when Ombudsmen may be utilized. Examples are:
  - a. Ombudsmen may field and respond to a wide variety of inquiries and complaints, including general questions about real estate practice, transaction details, ethical practice, and enforcement issues.
  - b. Ombudsmen may receive and respond to questions and complaints about members.
  - c. If the Ombudsman believes a failure of communication is the basis for the question or complaint, the Ombudsman may arrange a teleconference meeting of the parties and assist in facilitation a mutually acceptable resolution.
  - d. Ombudsmen may contact members to inform them that another member, client, or customer has raised a question or issue, and may contact other members to obtain information necessary to provide an informed response and/or potential resolution.
3. If it is determined that the complaint is appropriate for the Program, the person making or filing a complaint or inquiring about the process for filing an ethics complaint will be advised that Ombudsman services are available to attempt to informally resolve the complaint and that participation in the Ombudsman Program is entirely voluntarily. The complaining person will be advised that Ombudsman services may be declined and the complaint considered by the Grievance Committee and at a formal ethics hearing when appropriate.

#### C. RESOLUTION OF COMPLAINTS

If a matter complained of is resolved to the satisfaction of the complainant through the efforts of an Ombudsman, the formal ethics complaint brought initially (if any) should be dismissed by PWR. (Public Trust matters are not allowed for the Program.)

#### D. FAILURE TO COMPLY WITH AGREED UPON RESOLUTION

Failure or refusal of a member to comply with the terms of a mutually agreed upon resolution entitles the complaining party to resubmit the original complaint, or, where a formal complaint in the appropriate form has not been filed, to file an ethics complaint. THE TIME THE MATTER WAS ORIGINALLY BROUGHT TO ASSOCIATION'S ATTENTION WILL BE CONSIDERED THE FILING DATE FOR PURPOSES OF DETERMINING WHETHER AN ETHICS COMPLAINT IS TIMELY FILED.

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#### **14.8.5 CONFIDENTIALITY OF COMMUNICATIONS**

- A. All communications made to an Ombudsman or Association under the Program, whether written or oral, are confidential and may not be disclosed to any other person for any reason, except as expressly required by law. Statements, memoranda, work product, documents and other materials, otherwise subject to discovery in any legal action, mediation, or arbitration, that are prepared for or during participation in the Program, are absolutely confidential and may not be disclosed to any other person through subpoena, deposition, or other judicial or quasi-judicial or administrative proceeding.

#### **14.8.6 REFERRALS TO THE GRIEVANCE COMMITTEE OR STATE REGULATORY BODIES**

- A. Ombudsmen cannot refer concerns they have regarding the conduct of any party utilizing their services to the Grievance Committee, DRE, or any other regulatory body. This prohibition is intended to ensure impartiality and avoid the possible appearance of bias.
- B. Ombudsmen are authorized to refer concerns of violations of the Public Trust to the Grievance Committee.

#### **14.8.7 ADMISSIBILITY AND DISCLOSURES IN SUBSEQUENT PROCEEDINGS**

- A. Written or oral communications that are confidential under the Program shall not be admissible as evidence in any adjudicatory proceeding, whether in court, arbitration, administrative and regulatory, including but not limited to any arbitration or ethics hearings administered by Association or any relevant proceeding administered by another REALTOR® association.
- B. Nothing contained in these procedures shall be construed to prohibit the parties from jointly expressly agreeing to the disclosure or admissibility of documents or information that is otherwise deemed confidential. Any party, REALTOR® or his/her associated company, Ombudsman, or Association, may use confidential information in any adjudicatory proceeding, whether in court, arbitration, administrative and regulatory, including but not limited to any arbitration or ethics hearings administered by Association or any other proceeding at another REALTOR® association, in defending any action or claim brought against them that related to any of the services, functions, or other events arising during the Program, to the extent necessary to defend themselves.

#### **14.8.8 LEGAL LIABILITY AND OBLIGATIONS**

The following limitations and immunities apply to the officers, directors, employees, agents, representatives and attorneys of the brokerage company of the REALTOR® acting as Ombudsman, and to the officers, directors, employees, agents, representatives and attorneys of Association.

##### **A. CIVIL LIABILITY**

Ombudsmen and Association are not civilly liable in tort, contract, or otherwise, for any act or omission made while engaged in efforts to assist or facilitate a resolution under the Program.

##### **B. SUBPOENAS AND TESTIMONY**

Ombudsmen and Association will not be civilly liable for the disclosure of any confidential information or communication, whether written or oral, unless there is clear and convincing evidence that the disclosure was made in bad faith, with malicious intent, or in a manner exhibiting a willful, wanton disregard of the rights, safety or property of another, neither the Ombudsman or Association will be required to submit to subpoena, deposition, or other judicial, administrative, or regulatory requirement to appear and give testimony or provide documents relation to any matters occurring during the Program.

# **PACIFIC WEST ASSOCIATION OF REALTORS®, INC.**

## **POLICIES AND PROCEDURES MANUAL**

### **Section 14. Mediation/Ombudsman Committee**

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#### 14.8.9 DESTRUCTION OF PROGRAM DOCUMENTS

The participants in the Program understand and agree that all documents of any nature submitted or otherwise developed during the Program will be permanently destroyed upon the conclusion of the matter in dispute.

#### 14.8.10 OMBUDSMAN OVERSIGHT GUIDELINES

##### A. CASES TO BE HANDLED

1. Uncomplicated
2. Communication based
3. Non or small monetary amount (generally)
4. May be solved by providing simple education
5. May be solved by providing basic knowledge

##### B. CASES TO BE AVOIDED

1. Apparent violations of law
2. Those already referred to legal counsel, DRE, arbitration, etc.
3. Large monetary amounts (generally)
4. Complex cases
5. Cases involving more than two parties
6. Blatantly unreasonable or uncooperative parties

##### C. WHO SHALL HANDLE

1. Most qualified, trained, and available Ombudsman
2. Those who have not handled an Ombudsman case recently
3. Only Ombudsman without a conflict (e.g., not involving anyone in same company, no economic, social, familial connections, and no bias)

##### D. RED FLAGS

1. Unreasonable parties
2. Parties seeking sympathetic assistance
3. "Fishing expeditions"
4. Overly excited or irritable complainants
5. Party is unclear about the facts and/or issues
6. Party exaggerates or misrepresents
7. Party threatens retribution or violence

##### E. GOAL

1. Defuse situation and emotions
2. Clarify the issues
3. Deal with the facts
4. Deal with only essential elements of the dispute
5. Avoid irrelevant, inflammatory elements
6. RESOLVE dispute in such a manner that both parties are able to view the resolution as "helpful"

#### 14.8.11 MECHANICS OF OMBUDSMAN PROCESS AND USE OF FORMS

##### A. PRO STANDARDS MANAGER SCREENS COMPLAINT

1. The Association's Professional Standards Manager will screen complaints to determine if the Program guidelines are met.

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2. Information about the Program and a *Request for Ombudsman Service* form will be available on Association's website with a direct link to staff's email.
3. Upon receipt of a request, staff will inquire what has been done so far to resolve the situation and obtain basic information about the issue surrounding the complaint.

#### **B. STAFF FORWARD COMPLAINT TO OMBUDSMAN**

If the complaint meets the Program guidelines, Association's staff will email the complaint to the Ombudsman selected, including:

1. Staff's comments on the issue (limited solely to factual or clarifying information – not subjective or judgmental);
2. Complainant's name and telephone number
3. Respondent's name, telephone number
4. broker's name (if an agent)

#### **C. OMBUDSMAN'S RESPONSIBILITIES**

1. Acknowledge receipt of the complaint either by email or telephone call to staff.
2. Call the complainant within two business days of receiving the complaint. The following general script may be used:
  - Hello, my name is \_\_\_\_\_.
  - I am an Ombudsman with the Pacific West Association of REALTORS®.
  - I have received the complaint that you recently submitted.
  - As an Ombudsman, I cannot make a decision in your case.
  - However, I can provide you with some assistance.
  - I understand that you have concerns regarding one of the Association's members.
  - If you would like to share your concerns with me, I might be able to suggest some possible avenues or options you may pursue to reach a resolution for your situation.
  - Everything you tell me will be held in strict confidence, unless you authorize me to disclose to the other side.
3. Make two or three attempts to reach the parties before closing the file.
4. Notify staff within two business days of closing the file.
5. Promptly destroy all materials.

# **PACIFIC WEST ASSOCIATION OF REALTORS®, INC.**

## **POLICIES AND PROCEDURES MANUAL**

### **Section 15. Budget and Finance Committee**

#### **SECTION 15. BUDGET AND FINANCE COMMITTEE**

##### 15.1 AUTHORITY

Standing Committee: Authorized as per Association Bylaws.

##### 15.2 PURPOSE

15.2.1 Identify issues affecting Association needs.

15.2.2 Identify forces that may affect Association's financial resources.

15.2.3 Develop the annual budget incorporating the goals set during the Annual Retreat, or at Director meetings.

15.2.4 Propose annual schedule of dues and fees.

15.2.5 Review Association's financial position and accounts monthly.

15.2.6 Provide monthly report of highlights to Board of Directors.

15.2.7 Keep abreast of Association's tax consequences and create plan(s) to minimize tax liability.

##### 15.3 QUORUM

Majority of Committee members.

##### 15.4 MEMBERSHIP AND TERM

15.4.1 The Budget and Finance Committee shall be comprised of the President, President-Elect, and Secretary/Treasurer, and five (5) REALTOR® committee members in good standing appointed by the President and approved by the Board of Directors.

15.4.2 The members shall each serve a one (1) year term.

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

15.4.4 The Secretary/Treasurer shall serve as the Chairperson.

##### 15.5 POLICIES AND PROCEDURES

15.5.1 The Committee will meet quarterly, or as needed.

15.5.2 The Committee members have a fiduciary duty to review Association's financial position and accounts quarterly.

15.5.3 Prepare quarterly highlight reports and present to the Board of Directors at its meetings.

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

**Section 15. Budget and Finance Committee**

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- 15.5.4 Propose annual schedule of dues and fees.
- 15.5.5 Prepare the proposed Annual Budget, after consultation with the Vice President of Finance and Administration and CEO, for efficient utilization of financial resources and incorporating the goals set during the Annual 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.
- 15.5.6 Review unbudgeted financial requests and make recommendations to the Board of Directors for adjustments required in the total budget and the impact thereon.
- 15.5.7 The auditors will initially present the audit report to the Budget and Finance Committee and the audit report will be on the Board of Directors' consent calendar unless, in the opinion of the Executive Committee, the CEO, or the Budget and Finance Chair, there are significant issues in the audit that should be discussed by the Board of Directors.
- 15.5.8 Review with Association's CPA the annual audit and the financial condition of Association prior to presentation to the Board of Directors
- 15.5.9 Review Association's compliance with Association's investment procedures and current policies.

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**POLICIES AND PROCEDURES MANUAL**

**Section 16. PWR Multiple Listing Service**

**SECTION 16. PWR MULTIPLE LISTING SERVICE**

As authorized in Association's Bylaws, Association shall maintain for the use of licensed real estate brokers and salespersons, and licensed or certified appraisers, a multiple listing service ("MLS") which shall be a lawful corporation of the state of California, all the stock of which shall be owned by Association.

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

**Section 17. Local Candidate Recommendation Committee (LCRC)**

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**SECTION 17. LOCAL CANDIDATE RECOMMENDATION COMMITTEE (LCRC)**

17.1 AUTHORITY

Authorized by Association's Bylaws.

17.2 PURPOSE

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

17.3 QUORUM

Majority of members.

17.4 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.

17.5 POLICIES AND PROCEDURES

- 17.5.1 As set forth under All Committees above as in the attached CREPAC Local Candidate Recommendation Committee Cooperative Agreement which is incorporated herein as amended by time to time.
- 17.5.2 Nothing in the Policies and Procedures Manual shall prevent Association from naming a Government Affairs Director.



# **PACIFIC WEST ASSOCIATION OF REALTORS® , INC.**

## **POLICIES AND PROCEDURES MANUAL**

### **Section 18. Nominating Committee**

#### **SECTION 18. NOMINATING COMMITTEE**

##### 18.1 AUTHORITY

Temporary Committee: Authorized as per Association Bylaws.

##### 18.2 PURPOSE

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

##### 18.3 QUORUM

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

##### 18.4 MEMBERSHIP AND TERM

18.4.1 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 Association.

18.4.2 No member of the Committee may be a candidate for any elective office.

18.4.3 No member of the Committee may petition a directorship and shall not be considered for nomination by the Committee.

18.4.4 The Chairperson shall be the President-Elect.

18.4.5 Any vacancy shall be filled by the President and approved by the Board of Directors.

18.4.6 No more than three (3) Committee members from the same broker-owned office or firm shall simultaneously serve on the Committee.

18.4.7 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.

##### 18.5 MEETINGS

18.5.1 As required to select one (1) candidate for each Director vacancy.

18.5.2 The President and CEO should be available to advise, but shall not participate during any deliberations regarding a possible slate.

##### 18.6 POLICIES AND PROCEDURES

18.6.1 The Committee shall work independently from the Board of Directors.

# **PACIFIC WEST ASSOCIATION OF REALTORS®, INC.**

## **POLICIES AND PROCEDURES MANUAL**

### **Section 18. Nominating Committee**

- 18.6.2 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.
- 18.6.3 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:
- A. Member in good standing for one (1) year prior to being seated.
  - B. No more than three (3) members from the same broker-owned office, firm, partnership or corporation is allowed to serve at the same time.
  - C. 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.
  - D. No person may be a candidate for more than one position whether nominated by the nominating Committee or by petition.
  - E. 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.
- 18.6.4 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 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.
- 18.6.5 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.
- 18.6.6 The Board of Directors should reflect Association’s commitment to ethnic and cultural diversity as well as properly apportioned geographical representation. The Committee shall strive to select candidates that reflect the broad constituency of the membership.
- 18.6.7 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.
- 18.6.8 The Committee Chairperson shall deliver a slate of candidates of the Committee to the Board of Directors. The Slate of the Committee shall be communicated to all voting members in accordance with the Bylaws at least four (4) weeks prior to the election date.
- 18.6.9 Members shall keep all discussions, deliberations and decisions of the Committee completely confidential.

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

**Section 19. Election Committee**

**SECTION 19. ELECTION COMMITTEE**

**19.1 AUTHORITY**

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

**19.2 PURPOSE**

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

**19.3 QUORUM**

Majority of Committee members.

**19.4 MEMBERSHIP AND TERM**

19.4.1 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 Association who are not candidates for any elective office.

19.4.2 Members should not have a direct personal involvement in the results of the vote.

19.4.3 No member of the Election Committee may be a candidate of the Board of Directors.

19.4.4 The Chairperson is appointed by the President with the approval of the Board of Directors.

**19.5 GENERAL ELECTION GUIDELINES AND RULES**

**19.5.1 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 Association's Bylaws.

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POLICIES AND PROCEDURES MANUAL**

**Section 19. Election Committee**

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- 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 or events, unless such campaigning is a part of a candidates forum approved by the Board of Directors.

**19.5.2 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 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.

**19.5.3 REPORTING THE VOTE**

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

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

**Section 20. CRMLS**

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**SECTION 20. CRMLS**

20.1 AUTHORITY

CRMLS Bylaws and CRMLS member Agreement.

20.2 MEMBERSHIP AND TERM

Association's representation on the CRMLS Board of Directors shall be as provided by the CRMLS Bylaws and policies and as approved by Association's Board of Directors.

# **PACIFIC WEST ASSOCIATION OF REALTORS®, INC.**

## **POLICIES AND PROCEDURES MANUAL**

### **Section 21. Charity Foundation**

#### **SECTION 21. CHARITY FOUNDATION**

##### **21.1 PURPOSE**

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.

##### **21.2 BOARD OF DIRECTORS / OFFICERS**

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 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.

##### **21.3 NON-PROFIT**

The Property of the Foundation is irrevocably dedicated to charitable purposes and no part of the net income or assets of the Foundation 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 the Foundation 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).

##### **21.4 PRINCIPAL OFFICE**

The initial principal office of the Foundation will be located at 1601 E. Orangewood Avenue, California. Thereafter, the principal office may be located at a place within the County of Orange or as approved by the Board of Directors.

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POLICIES AND PROCEDURES MANUAL**

**Section 21. Charity Foundation**

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21.5 NO MEMBERS

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 Association.

# **PACIFIC WEST ASSOCIATION OF REALTORS®, INC.**

## **POLICIES AND PROCEDURES MANUAL**

### **Section 22. Young Professionals Network**

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#### **SECTION 22. YOUNG PROFESSIONALS NETWORK**

##### 22.1 AUTHORITY

Association's Bylaws authorize the Young Professionals Network Committee (YPN) (referred to as the "PWR Young Professionals Network" or the "PWR YPN").

##### 22.2 PURPOSE

The purposes of PWR YPN include:

- 22.2.1 To support Association and its membership.
- 22.2.2 To encourage exchange of information, business models, practices and methods and use of technology, between experienced real estate professionals and those who are newer to the profession.
- 22.2.3 To promote goodwill through social and professional activities.
- 22.2.4 To offer educational assistance to Association and its members.
- 22.2.5 To provide on-going open communication between members of Association through its Board of Directors, staff, and members of the PWR YPN.
- 22.2.6 To cooperate and engage in activities in coordination with other Young Professional Networks.

##### 22.3 POLICIES AND PROCEDURES

PWR YPN is bound by the Bylaws, Policies and Procedures, and resolutions of Association and its Board of Directors.



# **PACIFIC WEST ASSOCIATION OF REALTORS®, INC.**

## **POLICIES AND PROCEDURES MANUAL**

### **Section 23. Investment Policies and Guidelines**

#### **SECTION 23. INVESTMENT POLICIES AND GUIDELINES**

##### **23.1 OVERVIEW**

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

##### **23.2 OBJECTIVES**

###### **23.2.1 SAFETY**

Use of sound investment vehicles that are adequately diversified to limit exposure to changing economic conditions while maximizing principal capability.

###### **23.2.2 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.

###### **23.2.3 LIQUIDITY**

The investment portfolio shall remain sufficiently liquid to meet Association's ongoing withdrawal needs. Paper losses may be sustained due to negative interest rate environments and short-term erosion of market values.

###### **23.2.4 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.

##### **23.3 RESPONSIBILITIES**

###### **23.3.1 BOARD OF DIRECTORS**

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

###### **23.3.2 BUDGET AND FINANCE COMMITTEE**

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

# **PACIFIC WEST ASSOCIATION OF REALTORS®, INC.**

## **POLICIES AND PROCEDURES MANUAL**

### **Section 23. Investment Policies and Guidelines**

#### 23.3.3 INVESTMENT MANAGER

- A. Report investment results monthly to the Budget and Finance Committee and at each meeting of the Board of Directors
- B. Perform investment purchases within guidelines and policies
- C. Selection of investment vehicles with authorized holding company

#### 23.4 INVESTMENT MANAGEMENT

##### 23.4.1 INVESTMENT FUNDS

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

##### 23.4.2 OPERATIONAL

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

#### 23.5 ALLOWABLE INVESTMENTS FOR ASSOCIATION

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, 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.

##### 23.5.1 CLASS 5 (FIXED INCOME)

- A. 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.
- B. 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.
- C. U.S. Treasury Bills. While this type of investment is very secure, it is likely not the best return for Association, given other fixed income alternatives.
- D. Commercial Paper rated A1/P1 or A2/P2 (the highest rating available). For short term needs.
- E. 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.

# **PACIFIC WEST ASSOCIATION OF REALTORS®, INC.**

## **POLICIES AND PROCEDURES MANUAL**

### **Section 23. Investment Policies and Guidelines**

- F. 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.
- G. 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 Association. Muni bonds that are insured and have at least three 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.
- H. 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.
- I. 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.

#### **23.5.2 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.

#### **23.5.3 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 Association investment policy limits the investment in Class 3 mutual funds to no more than 25% of the portfolio.

#### **23.5.4 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.

# **PACIFIC WEST ASSOCIATION OF REALTORS®, INC.**

## **POLICIES AND PROCEDURES MANUAL**

### **Section 23. Investment Policies and Guidelines**

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#### **23.5.5 INDIVIDUAL STOCKS**

Common stocks are not rated like bonds. Because of the volatile nature of individual common stocks, 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 Association if there were a strong dividend as well as a growth opportunity.

#### **23.6 INVESTMENT LIMITATIONS AND RESTRICTIONS**

- 23.6.1 Investment Manager(s) are to make investments consistent with the safeguards and diversity to which a prudent investor would adhere.
- 23.6.2 All assets selected by the Investment Manager must have a readily available market value and must be immediately marketable.
- 23.6.3 Investment Manager should consider implications of short-term capital gain taxes prior to trading within Association's portfolio.
- 23.6.4 The Manager(s) will inform 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.
- 23.6.5 No single corporate security in the portfolio shall exceed 10 percent.
- 23.6.6 If one investment or group of investments exceeds stated limitations, the Investment Manager is to notify the Budget and Finance Committee to discuss.

#### **23.7 INVESTMENT FUNDS EMPOWERMENT**

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

#### **23.8 EARNINGS AND VALUE REPORTING**

Market values of investment holdings as recorded in 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.

# **PACIFIC WEST ASSOCIATION OF REALTORS®, INC.**

## **POLICIES AND PROCEDURES MANUAL**

### **Section 24. Financial Policies**

#### **SECTION 24. FINANCIAL POLICIES**

24.1 It shall be the policy of 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 ensure an accurate operating budget.

24.2 It shall be the policy of Association that, upon Board of Directors approval of the annual budget, it shall be the responsibility of the Treasurer, CEO and the Vice President of Finance and Administration to administer the day-to-day implementation of the budget. If deviations occur, the Budget and Finance Committee should review and make recommendations as necessary or desirable to the Board of Directors.

24.3 It shall be the policy of Association to maintain reserve funds established for future needs of 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.

24.4 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.

24.5 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.

24.6 Investment Manager should provide a statement that gives an executive summary of 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.

24.7 It shall be the policy of Association, that internal controls relating to Association's accounting system shall be maintained by the Treasurer, CEO and the Vice President of Finance and Administration in accordance with generally accepted accounting principles, recommendations of Association's CPA firm, suggestions in any management 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 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, and recordkeeping, and shall provide for a safe and normal flow of 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.

24.8 It shall be the policy of Association that a Certified Audit of Association's books, accounting procedures, and tax returns be accomplished on an annual basis, clearly establishing financial responsibility and as a verification of the accuracy of financial reports.

24.9 It shall be the policy of Association that a Certified Public Accountant (CPA) be retained for purposes of completion of State and Federal Tax returns.

# **PACIFIC WEST ASSOCIATION OF REALTORS®, INC.**

## **POLICIES AND PROCEDURES MANUAL**

### **Section 24. Financial Policies**

24.10 It shall be the responsibility of Association that the Budget and Finance Committee review these Financial Policies annually with recommendation for adjustments, if any, being submitted to the Board of Directors for consideration.

24.11 It shall be the policy of Association that nothing contained within these Financial Policies shall be construed as relieving the Board of Directors of full responsibility for the management of 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.

24.12 It shall be the policy of Association that prior to action by the Board of Directors adjusting any established fees of Association, the Budget and Finance Committee shall be instructed to review the ramifications of such an adjustment.

24.13 It shall be the policy of 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.

24.14 It shall be the policy of Association that representatives of 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.

- A. Volunteer travel policies are outlined in Addendum IV, Accounting Department Policy Manual.
- B. 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, Accounting Department Policy Manual.

24.15 It shall be the policy of Association that preliminary financial statements be prepared by the Vice President of Finance and Administration and submitted to the Budget and Finance Committee.

24.16 It shall be the policy of Association that the Budget and Finance Committee shall receive a copy of current year Rolling Forecast on a monthly basis for review.

24.17 It shall be the policy of Association that the accounting department will implement procedures AND will be responsible for the smooth interaction of the accounting department and all other departments of Association.

24.18 It shall be the policy of 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.

24.19 It shall be the policy of Association to pay all outstanding accounts according to payment terms, whenever practicable.

24.20 It shall be the policy of Association that the annual membership/MLS dues billing statements (state, local, national dues and MLSs fees) be generated into one yearly billing and sent out not later than December 15 of each year. All members/non-members will be offered the PWR FLEX Payment program. This program provides three options for dues payment: full payment, pro-rated monthly, or pro-rated quarterly, which includes billing fees. Members/non-members will have the option of financing dues over a quarterly basis or twelve-month period, via automatic billing or coupon method for the quarterly billing option.

24.21 It shall be the policy of Association that employees be paid on the 5<sup>th</sup> and the 20<sup>th</sup> 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.

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

**Section 24. Financial Policies**

24.22 Except in extreme circumstances, 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 will also authorize 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 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.

24.23 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 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:

<b>Position</b>	<b>Term (In Years)</b>	<b>Limit Nonbudgeted Items</b>
President	1	\$ 5,000
President-Elect	1	\$ 5,000
CEO(2 cards)		\$10,000 per card
CEO (AMEX for Travel)	1	\$10,000
EVP	1	\$ 5,000
VP or Government Affairs Director	1	\$ 5,000
VP of Finance and Administration	1	\$ 5,000
VP of Marketing	1	\$ 5,000

*Diners Club limit is for all outstanding cards combined*

24.24 Checks must be signed by two authorized signers. Authorized signers include:  
From Staff: CEO, Executive Vice President and Vice President Finance and Administration  
From Board of Directors: President, President-Elect and Secretary/Treasurer.

When the CEO will be out of town traveling, the CEO will pre-sign a number of checks as deemed appropriate by CEO and Vice President Finance and Administration.

24.25 All electronic fund transfers are initiated by the designated responsible manager or designee and approved by the Vice President of Finance and Administration.

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POLICIES AND PROCEDURES MANUAL**

**Section 25. Reserve Policy Task Force Addendum I to Financial Policies**

**SECTION 25. RESERVE POLICY TASK FORCE ADDENDUM I TO FINANCIAL POLICIES**

25.1 POLICY

The task force recommends that the reserve level be set at six (6) months. The current reserve level should be determined using the C.A.R. 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.

25.2 GUIDELINES

It was our intention that in setting a reserve level that 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 six (6) month reserve as possible, with rebuilding and maintaining this reserve of utmost importance when an excess cash flow situation exists.



# **PACIFIC WEST ASSOCIATION OF REALTORS®, INC.**

## **POLICIES AND PROCEDURES MANUAL**

### **Section 26. Affiliate Members**

#### **SECTION 26. AFFILIATE MEMBERS**

##### **26.1 AUTHORITY**

Authorized by Association Bylaws and Policies and Procedures Manual.

##### **26.2 GOVERNANCE**

Affiliates are bound by the Bylaws, Policies and Procedures, and resolutions of Association and its Board of Directors (the Governing Documents).

##### **26.3 PURPOSE**

The purpose of the Affiliate Membership is to support Association and its membership, promote goodwill through social and professional activities, offer educational assistance to Association and its members, and provide on-going open communication between Affiliates and members of Association through its Board of Directors and staff.

##### **26.4 QUALIFICATIONS FOR AFFILIATE MEMBERSHIP**

Affiliates are engaged in activities related to the real estate profession, who have interests requiring information concerning real estate, and are in sympathy with the objectives of Association. Any person, firm, or entity that establishes an office within Association's jurisdiction qualifies to become an affiliate member of Association, pursuant to Association's Bylaws.

##### **26.5 PRIVILEGES AND DUTIES OF AFFILIATE MEMBERS.**

26.5.1 Affiliates will have the rights and privileges and be subject to the obligations prescribed from time to time by the Board of Directors.

26.5.2 Affiliates have a duty to abide by the applicable Governing Documents of Association. Affiliates may be reprimanded, placed on probation, suspended, or expelled for a violation of the Governing Documents. If a hearing is required it will be held in the Executive Session at a regular or special meeting of the Board of Directors. The Board of Directors may suspend an Affiliate for cause prior to a hearing if, in the sole opinion of the Board of Directors, it is necessary to safeguard Association's assets, prevent liability, or protect Association's members or representation. The Staff will advise after the Board of Directors has taken action.

26.5.3 Although not subject to the Code of Ethics and its enforcement by Association, Affiliates are encouraged to abide by the principles established in the N.A.R. Code of Ethics and to conduct their business and professional practices accordingly. Further, any Affiliate may be subject to the discipline provided herein.

26.5.4 As described above, for any conduct that, in the opinion of the Board of Directors, reflects adversely on the real estate industry or the terms REALTOR® or REALTORS® and for conduct that is inconsistent with or adverse to the objectives and purposes of Association, C.A.R. or N.A.R., an Affiliate may be reprimanded, placed on probation, suspended or expelled for sexual or other harassment of an Association or MLS employee, or member, or other Affiliate after a hearing in accordance with the established procedures of Association. Harassment includes any verbal or physical conduct including

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## **POLICIES AND PROCEDURES MANUAL**

### **Section 26. Affiliate Members**

threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment. The decision of the Board of Directors may be made by an investigatory team comprised of members of the Board of Directors or others appointed by the President, such as staff or Association counsel.

26.5.5 Each Affiliate will sign and deliver to Association's CEO the Affiliate Code of Professional Conduct (Attachment 1).

#### **26.6 APPLICATION FOR MEMBERSHIP**

An individual or firm may become an Affiliate upon (1) completion and submission of the appropriate documentation, (2) payment of the required application fee, dues, and committee assessment, (3) completion of any other requirements required by Association Bylaws, this Policy, or the Board of Directors. Association staff, through the CEO or designee, will determine whether the applicant is applying for the appropriate class of membership.

#### **26.7 APPLICATION FEE**

The Board of Directors may adopt a reasonable application fee for Affiliate membership. The application fee for an individual or firm shall (1) not exceed three (3) times the amount of the annual dues, (2) accompany each application for membership, and (3) become the property of Association upon applicant completing the membership application requirements and give notice to the Board of Directors of such.

#### **26.8 DUES.**

The annual dues for Affiliate membership will be in such amount as established annually by the Board of Directors and will be payable annually in advance on the first day of July. Dues for new members will be computed from the first day of the month in which a new Affiliate is notified of acceptance and will be prorated for the remainder of the year. Affiliate membership is limited to real estate owner, and other individuals or firms engaged in activities related to the real estate profession, who do not qualify for REALTOR® membership. Any Affiliate who initiates bankruptcy proceedings may be placed on a "cash basis" from the date the bankruptcy petition is filed until one (1) year from the date that the Affiliate has been discharged from bankruptcy. All Affiliate dues or fees paid to Association are nonrefundable.

#### **26.9 NON-PAYMENT OF DUES.**

The membership and all rights of any Affiliate whose dues are not timely paid will be suspended, and a late charge in an amount as determined by the Board of Directors will be assessed. If, after suspension, the dues are not paid by the date noticed, the membership of the nonpaying Affiliate will automatically terminate.

#### **26.10 AFFILIATE USE OF THE TERMS REALTOR® AND REALTORS®**

Affiliate members may not use the terms REALTOR® or REALTORS® nor the imprint of the emblem seal of N.A.R.

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

**Section 26. Affiliate Members**

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26.11 GENERAL RULES.

In addition to the Bylaws, Policies and Procedures, and resolutions passed by Association's Board of Directors, the following general rules shall apply:

26.11.1 All REALTOR® and MLS members are entitled to attend any event conducted by Affiliates unless any limitation is approved by Association staff.

26.11.2 All written notices, speaker requests, representations, fund raisers, or other advisements/advertisements must be approved in writing in advance through Association's CEO.

26.11.3 All Affiliate activities, functions, seminars, and other events shall be subject to and conducted in strict compliance with Association's Alcohol Policy.

26.12 AMENDMENT TO POLICIES

These Policies may be amended or repealed by the Board of Directors of Association in its sole discretion.

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**Section 26. Affiliate Members**

Attachment 1

AFFILIATES CODE OF PROFESSIONAL CONDUCT

PREAMBLE

As an Affiliate Member of the Pacific West Association of REALTORS® (“Association”), I desire to be the most professional in my field of endeavor. My products or services will be of the highest caliber, and I will demonstrate professionalism to the public and REALTORS®, who we serve.

ARTICLE 1

As an Affiliate Member I will subscribe to this CODE OF PROFESSIONAL CONDUCT, and to the Code of Ethics of the National Association of REALTORS®.

ARTICLE 2

I will always conduct myself in the highest professional manner possible when representing myself as an Affiliate Member of Association.

ARTICLE 3

I will encourage comradery within the organization and take no unfair advantage of a REALTOR® or Fellow Affiliate Member. I will respect those within my organization and strive to earn their respect as a professional. I will not publicly disgrace the integrity or reputation or another Affiliate Member.

ARTICLE 4

I will never distribute or advertise false or misleading information as to my products or services.

ARTICLE 5

I will attend all meetings whenever possible, and contribute my expertise and knowledge to Association membership and help promote the highest standards possible of an Affiliate.

ARTICLE 6

I will gladly volunteer my services to Association when asked.

ARTICLE 7

I will seek a remedy to any problems or disagreements that I may have with other Association members through the appropriate Committee or mediator within Association to insure the integrity of the Affiliate Membership of Association.

Dated: \_\_\_\_\_

\_\_\_\_\_  
*Signature*

Name printed: \_\_\_\_\_

# **PACIFIC WEST ASSOCIATION OF REALTORS®, INC.**

## **POLICIES AND PROCEDURES MANUAL**

### Section 27. Records Retention Policy

#### **SECTION 27 RECORDS RETENTION POLICY**

##### 27.1 OVERVIEW

It is in the best interests of Association that it provide for the orderly management of records created, received and maintained by Association. It is the intention of Association to retain records for the longest period of time required by any applicable law or circumstance.

The following issues should be considered when determining which records to retain and the appropriate retention periods:

##### Litigation

All electronic documents should be stored in a read-only format or other unalterable formats to demonstrate that the documents are in their original state. These records may also be entrusted to Association counsel for retention.

##### Privacy & Document Destruction

Certain documents, such as employment records, are governed by state or federal privacy laws. Association must comply with those laws, including any rules or restrictions governing storage and destruction of such documents.

##### Applicability of Statutes

The legal requirements for Association record retention vary based on a variety of factors. Some employment statutes apply only to a company that has the required minimum numbers of employees.

##### Statutes of Limitations

Various statutes establish different time frames for a company's obligations regarding documents and deadlines for complaining parties to bring claims. IRS audits are generally initiated within three years. However, the IRS may audit a tax return seven years after filing if negligence was involved and indefinitely in cases of tax fraud.

##### Periodic Policy Review

Association should periodically review and seek legal counsel regarding applicable statutes and adjust this policy accordingly.

##### 27.2 PURPOSE

This policy balances five goals:

1. Organized retention of important records for reference, retrieval, and future use;
2. Compliance with federal and state law;
3. Risk management to protect Association, its Directors, Members and employees from liability;
4. Preservation of records in event of litigation; and,
5. Reduction in document volume to reduce storage and document administration costs.

##### 27.3 SCOPE

The records subject to this policy include "hardcopy" documents (i.e. tangible paper with visible information printed, written or copied onto it), and electronic data information (both visible and audio) which is created, transmitted or stored within and out of Association's premises in electronic systems (i.e. computers, desk telephones, cell telephones, PDAs, Blackberries, and other personal electronic devices, photocopiers, facsimile machines).

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## POLICIES AND PROCEDURES MANUAL

### Section 27. Records Retention Policy

#### 27.4 TYPES OF RECORDS AND RETENTION PERIODS

The following categories, types of records and retention periods are from NAR's Record Retention Guidelines as of September 18, 2015, and are adjusted to reflect longer periods required by California law as shown on the California Chamber of Commerce website (as of September 18, 2015), and includes additions specific to Association.

##### 27.4.1 ACCOUNTING RECORDS

Description	Retention Period
Accounts payable	7 years
Accounts receivable	7 years
Annual financial statements	permanently
Bank statements	7 years
Bank reconciliations	7 years
Canceled checks- routine matters	7 years
Canceled checks- special (loan repayment, etc.)	permanently
Correspondence: routine	4 years
Deeds and closing papers	permanently
Deposit slips (business, not personal)	4 years
Electronic payment records	7 years
Employee expense reports	7 years
Fixed-asset acquisition invoices (after disposal)	7 years
General ledgers	permanently
Income tax returns	permanently
Inventory count & costing sheets	7 years
Insurance policies (after expiration)	4 years
Investments (after disposal)	7 years
Mortgages, loans & leases (paid)	7 years
Payroll journals & ledgers	7 years
Purchase orders (except accounts payable copy)	1 year
Purchase invoices & orders	7 years
Receiving sheets	2 years
Sales Commission reports	5 years
Sales records	7 years
Sales tax returns & exemption support	5 years
Securities transactions, including acquisition through divided reimbursement programs	permanently
Subsidiary ledgers	7 years
Tax returns (federal & state)	permanently
Trial balances	permanently

##### 27.4.2 ASSOCIATION CORPORATE RECORDS

Description	Retention Period
Articles of Incorporation and amendments	permanently
Bylaws and amendments	permanently
Corporate filings	permanently
Corporate Minute Book	permanently
IRS Exemption Letter	permanently

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**Section 27. Records Retention Policy**

27.4.3 EMPLOYMENT RECORDS

Description	Retention Period
<u>Recruitment, Hiring and Job Placement</u>	2 years or duration of claim or litigation involving hiring practices [Title VII, FEHA, ADA, ADEA, GINA]
Documents relating job recruitment, including: <ul style="list-style-type: none"> <li>• Advertising</li> <li>• Job opening notices sent to employment agencies</li> <li>• Job applications</li> <li>• Resumes</li> <li>• Job inquiries received</li> <li>• Employment referrals</li> <li>• Applicant identification records</li> <li>• Interviewing</li> <li>• Testing</li> <li>• Hiring</li> <li>• Opportunities for training</li> <li>• Promotion or overtime</li> <li>• Training</li> <li>• Demotions</li> <li>• Promotions</li> <li>• Layoffs</li> <li>• Discharge</li> <li>• Other personnel decisions</li> </ul>	
<u>Payroll Records</u>	4 years [FLSA, Cal. Labor Code]
<ul style="list-style-type: none"> <li>• Name, employee number, address, age, sex, occupation</li> <li>• Individual wage records</li> <li>• Time and day work week begins</li> <li>• Regular hourly rate</li> <li>• Hours worked (daily and weekly)</li> <li>• Weekly overtime earnings</li> <li>• Daily or weekly straight time earnings</li> <li>• Deductions from or additions to wages</li> <li>• Wages paid each pay period</li> <li>• Payment date and periods</li> <li>• Piece rates</li> <li>• Unemployment Insurance Records</li> <li>• Garnishments and wage assignments</li> </ul>	
<u>Employee Wage Records</u>	3 years [FLSA, Cal. Labor Code]
<ul style="list-style-type: none"> <li>• Time cards</li> <li>• Wage rate calculation tables for straight time and overtime</li> <li>• Shift schedules</li> <li>• Individual employees' hours and days</li> <li>• Piece rates</li> <li>• Records explaining wage differentials between sexes</li> <li>• Employment contracts</li> </ul>	
<u>Employment Eligibility Forms Verification</u> I-9 Forms	later of 3 years from hire date or 1 year after termination [Immigration Reform and Control Act]

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### Section 27. Records Retention Policy

<u>Child Labor Certificates and Notices</u>	3 years [FLSA, Cal. Labor Code]
<u>Employee Personnel Files</u>	3 years after termination of employment
<ul style="list-style-type: none"> <li>• Disciplinary notices</li> <li>• Promotions and demotions</li> <li>• Performance evaluations</li> <li>• Discharge, layoff, transfer, and recall files</li> <li>• Training and testing files</li> </ul>	
<u>Affirmative Action Programs and Documents</u>	5 years (discretionary, but recommended) [Title VII, EO11246]
<u>Employee Health Records</u>	[OSHA, Cal-OSHA]
<ul style="list-style-type: none"> <li>• First aid records for job injuries causing loss of work time</li> <li>• Occupational injuries, including workers' compensation</li> <li>• Drug and alcohol test records</li> <li>• Chemical safety and toxic exposure</li> </ul>	5 years 5 years 5 years duration of employment plus 30 years
<u>Unlawful Employment Practices, Claims, Investigations and Legal Proceedings Records</u>	until disposition of case [Title VII, FEHA, ADEA, ADA, GINA, NLRA, FLSA]
<ul style="list-style-type: none"> <li>• Personnel and payroll records about complaining parties</li> <li>• Personnel and payroll records about all Others holding or applying for similar positions</li> </ul>	
<u>Employee and Union Contracts</u>	3 years [FLSA]
<u>Employee Benefits Data</u>	[ERISA]
<ul style="list-style-type: none"> <li>• Documentation of benefits elections, beneficiary designations, eligibility determinations, COBRA Notices and summary plan descriptions and earnings.</li> <li>• Records required to determine retirement benefits, including 401(k) and similar plans</li> </ul>	6 years, but not less than 1 year following a plan termination  keep indefinitely
<u>FMLA Records</u>	3 years [FMLA]
<ul style="list-style-type: none"> <li>• Leave policies and benefits</li> <li>• Dates and hours of leave used</li> <li>• Records relating to any dispute regarding designation of leave</li> <li>• Employee benefits relating to the leave</li> </ul>	

#### 27.4.4 LEGAL DOCUMENTS

Description	Retention Period
Contracts	10 years after expiration
License Applications	one year after expiration
Licenses	one year after expiration
Trademarks, Patents & Copyrights	permanently



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**Section 27. Records Retention Policy**

Warranties & Guaranties	2 years beyond terms of the warranty
Correspondence: legal	permanently

**27.4.5 NAR / ASSOCIATION DOCUMENTS**

<u>Description</u>	<u>Retention Period</u>
NAR charter	permanently
Territorial jurisdiction	permanently
Member file & membership applications	2 years after membership terminates with social security number and other financial information removed (if applicable)
Professional Standards Hearing Records:	
Disciplinary (ethics)	3 years after decision is final with Association and no threat of litigation
Arbitration / Mediation	5 years after payment of award (if any) and no threat of litigation

**27.4.6 PROPERTY RECORDS**

<u>Description</u>	<u>Retention Period</u>
Deeds of Title	permanently
Leases	2 years after expiration
Depreciation schedules	permanently
Property Damage	7 years
Property Tax	permanently
Appraisals	permanently
Blueprints / Plans	permanently
Warranties & Guaranties	2 years beyond terms of the warranty

**27.4.7 PENSION, RETIREMENT & PROFIT SHARING**

<u>Description</u>	<u>Retention Period</u>
401K	permanently
IRAs, SEPs, Keogh or HR-15, and Employer-employee participation plans	until all funds in plans are withdrawn plus 6 years after return is filed for year final funds withdrawn

**27.5 RETENTION PROCEDURES**

**27.5.1 HARD COPY RECORDS**

Hard copy records will be maintained as follows:

Each file containing any of the above documents should be assigned a sequential number, placed in a file storage box, and put in storage. All hard copy storage files will be maintained at the following location(s): Association premises and/or offsite.

**27.5.2 ELECTRONICALLY STORED INFORMATION/BACKUPS**

Electronic data will be stored for the periods identified in this Policy. Association may retain a reputable company to transfer and/or store records in electronic format. Specific documents in electronic formats will be treated according to the timeframes set forth in this policy. The purpose of the backups is to restore Association's computer network in the event of a crash. Backups are not intended to replace the specific separate retention of Information required by this policy. Records and information stored electronically will be stored only for periods necessary for that intended purpose. A table of contents pertaining to the electronic files retained by Association is kept at the following location(s): Association main premises; The Cloud; Offsite.

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## **POLICIES AND PROCEDURES MANUAL**

### **Section 27. Records Retention Policy**

#### **27.5.3 EMPLOYMENT RECORDS**

- A. Employment records may be kept in individual personnel files, in a locked cabinet with access controlled by a single individual or department from whom authorization must be gained before others may view the files. Access to the files should be restricted.
- B. Medical records of employees should be kept separately, also in a locked cabinet. Confidentiality must be maintained and the record protected from unauthorized use and disclosure. Failure to do so is a misdemeanor and entitles the employee to collect damages and attorneys' fees.
- C. Maintenance and storage must protect the records of current, past, and prospective employees' personal information such as social security numbers, addresses, telephone numbers and any other information that is reported to an employer by a consumer reporting agency.
- D. Personnel records may be kept electronically. Access to these files is restricted and controlled by a single individual or department from whom authorization must be gained before others can view the files.

#### **27.6 DESTRUCTION PROCEDURES**

27.6.1 Records that contain personal information must be disposed of by shredding or burning.

27.6.2 The selection of an outside party to dispose of records requires due diligence, including:

- A. Reviewing an independent audit of a disposal company's operations and/or its compliance with the rule to shred or burn employment documents containing personal information;
- B. Obtaining information about the disposal company from several references;
- C. Requiring that the disposal company be certified by a recognized trade association; and
- D. Reviewing and evaluating the disposal company's information security policies or procedures.

27.6.3 Information stored on computer disks or other recordable media must be destroyed before being discarded; information on a computer hard drive must be removed in a way that makes it unrecoverable before it is sold or donated to another party.

27.6.4 Access to information must be restricted while it is being stored or destroyed. Failure to do so violates federal and state regulations and fines or civil liability may attach.

#### **27.7 ENFORCEMENT**

Any employee found to have violated this policy may be disciplined, including termination of employment.

# **PACIFIC WEST ASSOCIATION OF REALTORS®, INC.**

## **POLICIES AND PROCEDURES MANUAL**

### **Section 28. Fraud Awareness & Prevention Policy**

#### **SECTION 28. FRAUD AWARENESS & PREVENTION POLICY**

It shall be the policy of Association that proper controls shall be in place in order to ensure the fiscal integrity of its financial operations. Further, all responsible parties within Association shall share in and place paramount importance on the responsibility for preventing, detecting and eradicating fraud at all levels. Indications or evidence of fraud shall be investigated promptly, and parties found to have engaged in fraudulent conduct will be subject to appropriate discipline regardless of place or position within Association.

#### **28.1 ROLES FOR OFFICERS, ADMINISTRATORS AND STAFF AS TO FRAUD PREVENTION**

##### **28.1.1 GENERAL FISCAL POLICIES**

- A. It shall be the policy of Association, that internal controls relating to Association's accounting system shall be maintained by the Treasurer, CEO and the Vice President of Finance and Administration in accordance with generally accepted accounting principles, recommendations of Association's CPA firm, suggestions in any management letter prepared as a result of an audit, and any actions taken from time-to-time by the Board of Directors. Budgeted 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 expenditures are directed to the Vice President of Finance and Administration and/or the CEO. Further internal controls shall include such subjects as signatories to checks and accounts, inventory control, assets, travel reimbursements, and recordkeeping, and shall provide for a safe and normal flow of 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.
- B. It shall be the policy of Association that the Accounting Department will implement procedures and will be responsible for the smooth interaction of the Accounting Department and all other departments of Association.

##### **28.1.2 BOARD OF DIRECTORS**

- A. Specific to fraud prevention, the Board of Directors shall faithfully fulfill all roles as set forth in this Manual at Sections 1.5.4-7, exercising diligent oversight of, and accountability to, the other officers, staff and members.
- B. It shall be the policy of Association that nothing contained within these Fraud Awareness and Prevention Policies shall be construed as relieving the Board of Directors of full responsibility for the management of 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.
- C. 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.

##### **28.1.3 CHIEF EXECUTIVE OFFICER**

Specific to fraud prevention, the CEO shall faithfully fulfill all roles as set forth in this Manual at Sections 2.3.1-6, exercising diligent oversight and accountability to other officers, staff and members.

# **PACIFIC WEST ASSOCIATION OF REALTORS®, INC.**

## **POLICIES AND PROCEDURES MANUAL**

### **Section 28. Fraud Awareness & Prevention Policy**

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#### **28.1.4 PRESIDENT**

Specific to fraud prevention, the President shall faithfully fulfill all roles as set forth in this Manual at Section 3, exercising diligent oversight of, and with accountability to, the other officers, staff and members.

#### **28.1.5 IMMEDIATE PAST PRESIDENT**

Specific to fraud prevention, the Immediate Past President shall faithfully fulfill all roles as set forth in this Manual at Section 7, exercising diligent oversight of, and accountability to, the other officers, staff and members.

#### **28.1.6 VICE PRESIDENT**

Specific to fraud prevention, the Vice President shall faithfully fulfill all roles as set forth in this Manual at Section 5, exercising diligent oversight of, and accountability to, the other officers, staff and members.

#### **28.1.7 SECRETARY/TREASURER**

Specific to fraud prevention, the Secretary/Treasurer shall faithfully fulfill all roles as set forth in this Manual at Sections 6.2-6.4.2, exercising diligent oversight of, and accountability to, the other officers, staff and members.

#### **28.1.8 BUDGET AND FINANCE COMMITTEE**

Specific to fraud prevention, the Budget and Finance Committee shall faithfully fulfill all roles as set forth in this Manual at Section 15, exercising diligent oversight of, and accountability to, the other officers, staff and members.

### **28.2 FRAUD PREVENTION TOOLS AND PROCESSES**

#### **28.2.1 WHISTLEBLOWER POLICY**

It shall be the policy of Association that there be in place a “Whistleblower” policy in accordance with state and federal law. Association encourages employee and executive transparency and accountability, and shall not act in a manner that punishes or prejudices those who provide revelatory material facts as to the operation or organization of Association.

#### **28.2.2 CERTIFIED AUDIT**

It shall be the policy of Association that a Certified Audit of Association's books, accounting procedures, and tax returns be accomplished on an annual basis, clearly establishing financial responsibility and as a verification of the accuracy of financial reports.

#### **28.2.3 APPROVAL OF ANNUAL BUDGET**

It shall be the policy of Association that, upon Board of Directors approval of the annual budget, it shall be the responsibility of the Treasurer, CEO and the Vice President of Finance and Administration to administer the day-to-day implementation of the budget. If deviations occur, the Budget and Finance Committee should review and make recommendations as necessary or desirable to the Board of Directors.

#### **28.2.4 INSPECTION AND COPYING OF RECORDS**

In an effort to provide proper transparency within Association's records and operations, wherein fraud is more likely to be avoided or detected, Association has a policy for inspection and copying of records which is set forth in *Section 1. Board of Directors, Subsection 1.5.8*

# **PACIFIC WEST ASSOCIATION OF REALTORS®, INC.**

## **POLICIES AND PROCEDURES MANUAL**

### **Section 28. Fraud Awareness & Prevention Policy**

#### **28.2.5 STOCK INVESTMENTS**

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 Association's investment policy as set forth in Section 23.

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. Schwab statement should provide investment holdings in detail as well as transaction detail, cash activity and interest income.

The IM should provide a statement that gives an executive summary of 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.

#### **28.2.6 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 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:

<b>Position</b>	<b>Term (In Years)</b>	<b>Limit Nonbudgeted Items</b>
President	1	\$ 5,000
President-Elect	1	\$ 5,000
CEO (2 cards)	1	\$10,000 per card
CEO (AMEX for Travel)	1	\$10,000
EVP	1	\$ 5,000
VP or Government Affairs Director	1	\$ 5,000
VP of Finance and Administration	1	\$ 5,000
VP of Marketing	1	\$ 5,000

#### **28.2.7 CHECKS**

Checks are to be signed by two authorized signers and the available pool of signers shall include: from Staff: the CEO, Executive Vice President and Vice President Finance and Administration; from the Board of Directors: the President, President-Elect and Treasurer. The only exception is that when the second signer is out of town 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 be locked up at all times, and checks are not to be pre-signed. Also all electronic fund transfers are initiated by the designated responsible manager or designee and approved by the Vice President of Finance and Administration.

# **PACIFIC WEST ASSOCIATION OF REALTORS®, INC.**

## **POLICIES AND PROCEDURES MANUAL**

### **Section 29. Alcohol Policy**

#### **SECTION 29. ALCOHOL POLICY**

##### **29.1 AUTHORITY**

Adopted by resolution of the Board of Directors as authorized by Association Bylaws.

##### **29.2 GOVERNANCE**

Directors, officers, members, staff, visitors to Association premises, and attendees at Association sponsored or endorsed events on Association premise or at off-site locations are bound by this Alcohol Policy.

##### **29.3 PURPOSE**

Association recognizes the importance of supporting various Association, community and social events and activities (events). Association also recognizes the importance of maintaining a safe, efficient, and healthful environment for its employees, its members, and the public at Association sponsored or endorsed events. Association's sponsorship or endorsement of an event or activity at which alcoholic beverages are served may expose Association to increased risk of liability and may be inconsistent with Association's image.

##### **29.4 POLICIES AND PROCEDURES**

29.4.1 The reasonable sale, service, or consumption of alcoholic beverages will be allowed on Association's premises at an activity or event which is sponsored or endorsed in whole or in part by Association, if a request in writing is made to Association's CEO at least thirty (30) but no more than sixty (60) days prior to the date of the event. The Request must include the following information:

1. The title of the event.
2. The date(s), times and locations the event is to be held.
3. The purpose of the event.
4. The general identification of the persons, companies, or agencies expected to attend the event.
5. A description of the activities to be conducted and the nature and estimated amount of alcoholic beverages to be involved.
6. The names, addresses, and telephone numbers of all sponsoring individuals, companies or agencies.
7. An explanation of where and how the beverages will be delivered, stored, and served.

29.4.2 If the event is held other than at Association's premises, or when deemed appropriate by Association's CEO, Board of Directors, or Committee involved in the event, additional information may be required, such as:

1. A description of the physical facilities where the event is to be held.
2. A description of the security system, security officers, and emergency mechanisms that are either in place at the location, or will be provided by the sponsor(s) or attendees.
3. A copy of the declarations page of the current liability insurance policy insuring the owner of the location where the event is to be held.
4. A copy of the declarations page of the current liability insurance policy insuring each sponsoring individual, company or agency.
5. A copy of all permits required by local or state law enforcement agencies, city, county or other governmental agencies, including the ABC, for the location where the event is to be held.
6. A binder to the owner's policy showing Association as a fully indemnified additional insured.