

POLICY MANUAL



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Foreword: St. Charles REALTORS® is a nonprofit 501(c)6 corporation formed in 1946 as an association. Its current Mission Statement notes, “St. Charles REALTORS® unites to advocate for real property rights, delivers educational programs that advance professionalism, connects members and the community through outreach, and is accountable and transparent to the membership.” Real estate professionals, appraisers and affiliates comprise a diverse group of individuals that work to better the community.

It is the desire of the BOD that newly elected Directors, committee chairs, committee members, MR Directors, MR Output Group or Mission Committee members, and any members seeking to become involved in St. Charles REALTORS® activities will use the Policy Manual as a reference guide to understand Association expectations and operations. The Policy Manual incorporates policies and directives formally adopted by the Association from prior years of operation. As new policies and directives are adopted or revisions made, each will be entered in the Policy Manual and will include the date of enactment.

Association members, staff and volunteers understand that when they serve in positions of leadership or responsibility, they are to keep the best interests of the Association and its entire membership in mind at all times. All members are encouraged to submit policy suggestions in writing to any Director or committee chair.

Association members, staff and volunteers may refer to the St. Charles REALTORS® Financial Procedures (separate document), the Travel and Expense Reimbursement policy, and the Reserve and Investment policy for further guidance in those areas.

Statement of Authority: The BOD may, by a majority vote, approve policies of this Association, which define or amplify the Bylaws of the Association. Any policies, so approved, will be adopted immediately upon approval and printed in the Policy Manual of the Association. Any Director of the Association may propose policies. The Policy Manual is available to any Member. [*Bylaws Article XI, Sec. 8 (04/30/03)*]

Definitions:

Agreement: Great River Region Professional Standards Agreement

Association: St. Charles County Association of REALTORS®, d/b/a St. Charles REALTORS®

BOD: Board of Directors

CEO: Chief Executive Officer

CFO: Chief Financial Officer or Director of Finance or Bookkeeper

COO: Chief Operating Officer

Code: NAR Code of Ethics

Director: BOD Member or Officer

DR: Designated REALTOR®

Landing: Missouri REALTORS® Landing

Member: Member of the Association

Manual: Policy Manual

MANUAL: NAR Code of Ethics and Arbitration Manual

MR: Missouri Association of REALTORS® d/b/a Missouri REALTORS®

Mark: REALTOR®, REALTORS®, and REALTOR-ASSOCIATE®

MARIS: Mid-America Regional Information Systems

NAR: National Association of REALTORS®

RULES: NAR Code of Ethics; the Association Policy Manual; and the Constitutions and Bylaws of the Association, MR and NAR

WCR: St. Charles Chapter - Women’s Council of REALTORS®

PART 1: LEADERSHIP ROLES

1.1 President. The President of the Association is the chief elected officer of the organization [*Bylaws Article XI, Section 2A (04/30/03)*], and shall represent the Association as directed by the Manual, Bylaws and the BOD. The President or his/her designee shall be the authorized spokesperson for the Association. The Incoming President's committee chair selections shall be presented to the BOD for confirmation. The President will also fulfill duties of the position by: (1) providing volunteer leadership to motivate both membership and staff, and promote interest and participation in the Association; (2) supporting the establishment of goals and objectives of the Association; (3) ensuring Directors are kept fully informed on the conditions and activities of the Association; (4) serving as signer on the Association checking account; (5) participating in the Strategic Planning process and Leadership Orientation, and serving as a voting member on the following committees: BOD as chair, Strategic Planning, CEO Evaluation as chair, Finance and Budget, and MR Output Group or Mission Committee. S/he will also serve as one of the Association's MR Directors [*BOD minutes 12/01/21*]. S/he may serve on other committees as ex-officio, nonvoting member. The President will serve the following year on the BOD as the Immediate Past President.

1.2 President-Elect. As an elected officer of the Association [*Bylaws Article XI, Sec. 2B (04/30/03)*], the President-Elect should have detailed familiarity with the structure and administration of the Association and should use the term as an opportunity to learn and prepare for the upcoming year as President. The Incoming President-Elect's committee vice chair selections shall be presented to the BOD for confirmation. The President-Elect will, with the assistance of staff, organize and chair the Leadership Orientation, will chair the Strategic Planning process, [*BOD Minutes 09/15/04*] and serve as signer on the Association checking account. S/he will serve on the following committees: BOD, Strategic Planning as chair, Finance, Government Affairs, and MR Output Group or Mission Committee. S/he will also serve as one of the Association's MR Directors.

1.3 Treasurer. The Treasurer, as an elected officer of the Association, is responsible for working with the CEO and BOD to ensure the accuracy of Association financial reports and to act as a safeguard to maintain fiscal integrity in Association financial matters. [*Bylaws Article XI, Sec. 2C (05/10/07)*] The Treasurer will act as co-signer on Association checks. In conjunction with the CEO, s/he will work to ensure the Association's funds are invested in a prudent manner. The Treasurer will attend the Leadership Orientation. S/he will assist the CEO in the Association's annual budgeting process and will work with the CEO to assist with the integration of financial planning into the strategic planning process. S/he will provide a monthly financial report to the BOD. S/he will serve as one of the Association's MR Directors and will serve on an MR Output Group or Mission Committee. [*Bylaws Minutes 04/30/18 & BOD Minutes 05/23/18*]

1.4 Secretary. The Treasurer of the Association will act as the corporate secretary of the Association. [*BOD minutes 03/23/22; Bylaws Article XI, Sec. 2E (05/10/07)*].

1.5 Immediate Past President. The Immediate Past President will provide council and guidance to allow for and support continuity in the Association. [*Bylaws Article XI, Sec. 3A3 (04/30/03)*]. S/he will serve as historian for the Association. The Immediate Past President will attend the Leadership Orientation and will be a member of the BOD and Finance and Budget Committee. [*BOD Minutes 06/15/16*]

1.6 Parliamentarian. The President-Elect will appoint one member of the BOD, subject to approval of the BOD, to serve as the Parliamentarian during his/her term of office as President. The Parliamentarian will provide guidance to the BOD as needed on parliamentary matters. The Parliamentarian should be trained or briefed in Robert's Rules of Order, as needed, with training to be completed prior to the January BOD training session. The Parliamentarian will retain all rights and privileges of a member of the BOD. [*Bylaws Minutes 04/30/18 & BOD Minutes 04/18/18, 05/23/18*]

1.7 BOD. The BOD is the governing body of the Association. *[Bylaws Article XI, Sec. 3A (2002)]* Board members have a duty to develop familiarity with Association policies, structure, and governing documents, including but not limited to the Bylaws, Manual, Employee Handbook, Financial Procedures, Travel and Expense Reimbursement Policy, Reserve and Investment Policy and budget. Board members agree to diligently prepare for meetings and to make decisions based on the best interest of the entire membership. Board members will keep confidential sensitive Association information and will follow the Code of Conduct (Exhibit A). *[BOD Minutes 10/25/06]* Board members agree to promote interest in the Association and willingly agree to participate in Association activities. Board members agree to publicly support decisions made by the Association and agree to remain in financial good standing with the Association. Board members will attend the Leadership Orientation. The BOD will serve as an Appeal Panel as dictated by Association Bylaws, will ratify Professional Standards cases, and will accept the report of the CEO Evaluation Committee and approve the CEO salary recommendation. *[BOD minutes 12/01/21]* Board members will serve on at least one Association committee in addition to their service on the BOD. Discipline may include removal of a Board member from office. *[BOD minutes 12/01/21]* The BOD will meet monthly or as it deems necessary. *[Bylaws Article XII, Sec. 2-4 (04/30/03)]*

1.8 State Directors. State Directors are required to attend MR BOD Business Conferences, including an MR Output Group or committee meeting, the District Briefing, and vote at the BOD sessions. Absence from two (2) meetings in a calendar year shall result in termination as a State Director by the MRBOD. If a State Director is terminated, s/he cannot be reappointed that year. *[BOD minutes 12/01/21]* State Directors will serve on an MR Output Group or Mission Committee. The Incoming President will nominate individuals to fill the allocated Director positions subject to approval of the BOD. State Directors will attend annual orientation.

1.9 State and National Leadership Candidates. Primary Members seeking MR and NAR leadership positions may request, in writing, endorsement and/or support of the Association. These requests are subject to approval of the BOD, in accordance with the annual budget. *[BOD Minutes 06/28/23]*

1.10 Regional Boards or Committees. Representation on regional boards and/or committees available to the Association will be filled by Members nominated by the incoming President subject to approval by the BOD, in accordance with the terms and criteria established by the organization offering the Association representation.

1.11 Leadership Orientation. *[BOD Minutes 12/06/23, 04/21/21]* (these changes made due to timing of Orientation occurring after Installation but before office is taken) All incoming Officers, BOD and committee chairs and vice chairs will be invited to the annual Leadership Orientation which will be held in December of each year. Those invited to the Leadership Orientation but unable to attend will meet with the incoming President and their staff liaison to review the information presented in the orientation. The CEO will work with the incoming President to coordinate agenda, speakers and other logistics. At a minimum, the program may include:

- Incoming President's annual goals
- Review of committee and BOD operational procedures
- Review of relevant Association policies and procedures
- Review of Association calendar and scheduling of meetings and special meetings
- Review of Association Agreement to Serve Policy and Anti-trust Policy
- All will be provided with electronic copies, or upon the Member's request paper copies, of the Manual, Bylaws and other pertinent Association policies

In addition to the above, the following groups or committees will have separate orientation sessions on an annual basis that will take place at the first regularly scheduled meeting of the year, unless otherwise indicated:

Officers: This will take place in December of each year for the following year's officers, and will include the following:

- Review of officer's duties and responsibilities as outlined in the Association Bylaws and policies
- General review of all policies and Bylaws governing the Association operations
- All officers will receive electronic copies, or upon their request paper copies, of all Association Bylaws and policies
- Updating and signing of signature cards and related documents for payment approval/check signing in the coming year. (CEO and CFO will insure the filing of these documents with appropriate entities prior to December 31)
- Review of communication preferences and methods to insure seamless transitions

Finance and Budget Committee: This orientation will include:

- Review of committee responsibilities
- Review of Association Financial Procedures, Travel and Expense Reimbursement Policy, and Reserve and Investment Policy
- Review of monthly financial reports and documentation
- Review of Association Anti-trust Policy and Agreement to Serve Policy

State Directors: (Note: This orientation will take place prior to the MR January Business Conference, and a secondary meeting will be held at the business conference location.) This orientation will include:

- Review of duties and responsibilities of MR Directors
- Review of the MR Leadership and Output Group structure
- Review of available Output Group service opportunities
- Review of St. Charles reimbursement forms and requirements

All Other Committees: This orientation will include:

- Review of committee responsibilities
- Review of pertinent Association policies
- Review of Association Anti-Trust Policy and Agreement to Serve Policy

PART 2: COMMITTEE PROCEDURES

2.1 Committee Membership Selection. The Incoming President and Incoming President-Elect will work together to recruit and identify initial Members for committees. To encourage broad participation, committee membership is open to all Members in good standing except as otherwise provided in the Bylaws or Manual. [*Bylaws Article XIII, Sec. 1 (04/30/03)*].

2.2 Committee Reporting. Meeting minutes generated by staff, reviewed by the committee, and provided to the BOD will constitute committee reporting. If a matter warrants presentation, the chair will make him/herself available to make a brief presentation to the BOD. [*BOD Minutes 04/21/21*]

2.3 Staff Liaison. The CEO will assign a staff liaison to each standing committee to facilitate committee meetings. The staff liaison will attend committee meetings and take minutes, which will then be typed for committee review within three (3) business days [*BOD minutes 12/01/21*] unless otherwise provided by the Bylaws.

2.4 Committee Operation. A progression from committee, forum or task force member to committee vice chair, to committee chair is encouraged to allow for the development and cultivation of knowledgeable leaders in the Association. Committee chairs are expected to preside over committee meetings and provide an efficient atmosphere that is conducive to Association business.

2.5 Scheduling. All committees will meet as needed and may, at their discretion, assign specific duties to task forces created by the chair. Committee meeting times will be cleared through the CEO before placement on the Association's master calendar and should be set for dates reoccurring on Monday, Tuesday, Wednesday or Thursday during office hours. Meetings of committees and task forces will be scheduled within five (5) business days of the date they are called for by the BOD. If the BOD determines that the meeting is of an urgent nature, the meeting will be held as soon as a majority of the members can attend. The chair, vice chair and staff liaison will select two to three potential Monday, Tuesday, Wednesday or Thursday meeting times which will be sent to committee or task force members via the Landing to determine availability. The staff liaison, after consultation with the chair and vice chair, will send out a meeting notice which provides a fourteen (14) day notice of the meeting to members of the committee or task force. Necessary subsequent meetings may be scheduled at a duly called meeting of the committee or task force. Major activities planned by committees will also be cleared through the CEO, who will make efforts to avoid scheduling conflicts. Committee meetings will be held at the Association offices unless otherwise determined by the President, CEO, or BOD.

2.6 Notification. All committee meetings, with the exception of Grievance Committee and related Professional Standards activities requiring confidentiality, will be placed on the Association calendar.

2.7 BOD and Committee Communications. The Landing will be utilized for BOD and committee communications. Staff liaisons will post meeting notifications, meeting materials, agendas and minutes to the Landing. No direct e-mails will be sent to committee members, except for the Professional Standards and Grievance Committees, Executive Sessions and confidential communications. Anyone serving on the BOD or an Association committee will be required to sign up for the Landing and agree to the real time notifications. The President and CEO will be members of every community and the appropriate staff liaison will be members of the communities for the committees they serve.

2.8 Committee Agenda and Plan of Action. The chair will work with the designated staff liaison to develop a meeting agenda no less than three (3) days prior to a committee meeting. At the beginning of the year, a simple Plan of Action will be developed that complements the Association's Strategic Plan.

2.9 Committee Action. General committee requests for staff support or Association assistance will be forwarded by the staff liaison to the CEO for review, possible execution or referral to the BOD. Specific committee requests and all financial requests beyond the approved budget will take the form of a motion and be sent directly to the BOD for consideration.

2.10 Immediate Electronic Approval. *[BOD Minutes 02/24/16]* When deemed necessary by the chair and staff liaison, an electronic vote of the members is acceptable if:

- 1) An explanatory post is placed in the committee's Landing Community containing the proposed motion, the background and rationale for the proposed motion, as well as the reason an electronic vote is needed, asking for a motion and a second, and giving members a chance to ask questions and offer their opinions.
- 2) No sooner than 24 hours later, an additional post will be placed in the Landing Community restating the motion and asking members for their vote on the proposal.
- 3) A majority of members do not object *[BOD minutes 12/01/21]* to the e-mail vote during the initial 24-hour discussion period.

- 4) All members have been contacted about the issue.
- 5) Response meets quorum requirements.

Confidential information (such as personnel, salary, and legal issues) [BOD minutes 12/01/21] will not be sent using this process. In the event all five (5) of the above conditions are not met, then either a special committee meeting must be called to decide the issue or the decision must wait until the next scheduled committee meeting.

2.11 Virtual Meetings. [BOD Minutes 02/24/16] When deemed appropriate by the chair and staff liaison, the committee may convene in a regular or special meeting via telephone conference or video conference. Any committee member may travel to the Association to participate in the meeting from that location.

2.12 Member Virtual Attendance. [BOD Minutes 02/24/16] A member who is unable to attend a regular or special meeting of the committee may attend via telephone conference or video conference. Such member shall have full rights to participate in all aspects of the meeting. If the committee is governed by the attendance requirements in sections 2.13, 2.14 and 4.9 of this Manual, members may virtually participate in up to two (2) meetings per year without negatively affecting their attendance requirements. Members attending via video conference will be considered in attendance if they are “live” on screen for at least 75 percent of the scheduled meeting length. [BOD Minutes 04/21/21]

2.13 Member Meeting Attendance. [BOD Minutes 12/5/18] Members appointed by the BOD to the Finance or Bylaws Committees may miss up to two (2) regularly scheduled meetings of the committee. The chair or vice chair shall contact the member after two (2) absences. If a member fails to attend three (3) meetings, the position shall be considered vacant. The committee can recommend the member be reappointed by the BOD to complete the term. A specific starting time and ending time shall be listed in all meeting announcements and on the agenda. To be counted in attendance at a meeting, members must be in attendance for 75 percent of the scheduled meeting length.

2.14 Chair and Vice Chair Attendance. [BOD Minutes 12/5/18] Members appointed by the BOD as chair or vice chair of Association committees may miss two (2) regularly scheduled meetings of the committee. If a chair or vice chair fails to attend three (3) meetings, the position shall be considered vacant.

PART 3: COMMITTEES, TASK FORCES AND AFFILIATE ORGANIZATIONS

3.1 Standing Committees. Standing committees are those committees mandated in the Bylaws of the Association. All members of standing committees are appointed by the President with the approval of the BOD.

3.1.1 Bylaws/Policy. [Bylaws Article XIII, Sec. 1 (04/30/03)]

Composition. Nine (9) members appointed by the President, all being REALTOR® or REALTOR-ASSOCIATE® Members. At least five (5) committee members will be REALTORS®.

Specific Responsibilities. Review Bylaws and Policy Manual and make recommendations, as needed, to the BOD. Recommendations by staff or the BOD, may be drafted by staff and presented to the Bylaws and Policy Committee for review and recommendations, as needed, to the BOD. Ensure Policy Manual is consistent with Bylaws.

3.1.2 CEO Evaluation. [Bylaws Article XIII, Sec. 1 (04/30/03)] (Committee meetings are closed.)

Composition. The committee membership is limited to the President, President-Elect, Treasurer, and the Immediate Past President. [BOD Minutes 02/23/06]

Specific Responsibilities. Evaluate CEO performance. The annual performance review shall cover the period November 1 through October 31 each year. The committee will complete its combined evaluation by the end of November, and a report with salary information will be presented to the BOD by the December BOD meeting. [BOD Minutes 10/17/18] A copy of the performance review will be placed in his/her personnel file. The CEO or President will email a duplicate copy of the performance review, with request for return receipt, to the Association's attorney for off-site electronic storage. [BOD Minutes 08/15/18]

All personnel discussions will be held in strict confidence by the members of the committee and no documentation will be removed from the Association office. Allegations of revealing of confidential information to non-committee members shall be brought to the President. If the allegations are against the President, they shall be brought to the President-Elect. The President or President-Elect shall bring the allegations to the BOD for action. If the BOD determines that the accused officer has violated the confidentiality of this committee, the BOD can direct the officer to not participate in any future CEO Evaluation committee meetings. The BOD may appoint a Director to serve on the committee in place of the officer. [BOD Minutes 10/18/17]

Committee members and CEO will communicate on Association business as needed; and members will share suggestions, ideas and questions with the CEO. The committee only has the authority to recommend actions to the BOD. [BOD Minutes 10/18/17]

3.1.3 Credentials and Elections. [BOD Minutes 04/21/21] (Committee meetings are closed.)

Composition. The committee will be chaired by the Immediate Past President or in his/her absence the President shall preside at the meeting, and shall include as members the President, President-Elect, as well as two other Past Presidents and one at-large Member appointed by the President. No candidate nominated for an Association office shall serve as a member of the committee.

Specific Responsibilities. The Credentials and Elections Committee shall meet after the filing deadline to review the credentials of those candidates who have filed for office. The review process will consist only of verifying that those candidates who have filed meet the qualifications as outlined in Article XI, Section 3A(1) of the Bylaws. In the event that no Member files for an available Officer or Director position, the committee will have the authority to recruit multiple candidates for each available office where no candidates have filed, and add the names of those qualified candidates to the list of certified candidates reported to the BOD. The committee will certify the final list of candidates to the BOD no later than fifteen (15) days after the closing of filing.

3.1.4 Finance and Budget. [Bylaws Article XIII, Sec. 1 (04/30/03]

Composition. The committee membership is limited to the Treasurer as chair, President, President-Elect, the Immediate Past President [BOD Minutes 06/15/16] and six (6) other members serving three-year terms. These members shall be REALTOR® or REALTOR-ASSOCIATE® members of the Association; however, one member of the committee at the President's discretion could be an Affiliate member of the Association. The President will appoint two (2) members to a three-year term. [BOD Minutes 04/22/09]

Term of Office. The term of office of each appointed committee member will begin on January 1; however, newly appointed members are encouraged to attend meetings as soon as their appointment is approved by the BOD to become familiar with financial documents and procedures. Voting privileges for newly appointed members will begin January 1. The term of each elected officer on the committee will coincide with their term as an officer. [BOD Minutes 04/22/09]

Specific Responsibilities. Assist the Treasurer in fulfillment of Association duties, as requested. Review monthly interim and end-of-year financial reports to maintain a financially sound operation. Act as the financial work group for the BOD. Support staff in the annual budget process and ensure it is submitted

to the BOD for approval by November 30 of each year. Make investment and purchase recommendations to the BOD.

3.1.5 Grievance. *[Bylaws Article XIII, Sec. 1 (04/30/03)]* (Committee meetings are closed.)

Specific Purpose. Review ethical complaints and requests for arbitration, handled and governed by the MANUAL and Association policies and agreements. *[Bylaws Article VII (04/30/03); see also Agreement (09/15/02)]*

Composition. A minimum of ten (10) members, including REALTOR® or REALTOR-ASSOCIATE® members, who must have at least three (3) years' experience in the real estate industry and with no more than three (3) members from any one (1) company, will serve for two-year terms. Members of the BOD will not serve on this committee.

Specific Responsibilities. The Grievance Committee shall review ethical complaints and requests for arbitration to determine if, taken as true on their face, a hearing is to be warranted, as governed by the MANUAL and Association policies and agreements. *[Bylaws Article VII (04/30/03); see also Agreement (09/15/02)]* Committee members will remain unbiased, fair, and impartial in all proceedings and decision-making. All members of the Grievance Committee will attend either an annual Professional Standards training program conducted by the Association (at no charge to the attendee) or attend the Annual Professional Standards seminar offered by MR (attendee to pay). *[BOD Minutes 01/30/09]* If a committee member also serves on the MR Professional Standards or Grievance Committee, s/he may use the MR mandatory committee training, usually held the prior November, as his/her local training. *[BOD Minutes 01/27/10]*

3.1.6 Professional Standards. *[Bylaws Article XIII, Sec. 1 (04/30/03)]* (Committee meetings are closed.)

Special Governing Rules and Regional Agreement. In addition to operating in compliance with Association Bylaws and Manual, the committee will also adhere to the terms set forth in the Agreement.

Composition. A minimum of ten (10) members. All committee members must have served for two (2) years on the Association's Grievance Committee prior to serving on the committee. At least one member of the committee will be a member of the Association's Commercial Division.

Specific Responsibilities. Members of the Professional Standards Committee shall be selected to serve on Hearing Panels as required to hear matters of alleged unethical conduct by Association members or to provide arbitration as requested. Committee members will remain unbiased, fair, and impartial in all proceedings and decision-making.

All members of the Professional Standards Committee will attend either an annual Professional Standards training program conducted by the Association (at no charge to the attendee) or attend the Annual Professional Standards seminar offered by MR (attendee to pay). *[BOD Minutes 01/30/09]* If a committee member also serves on the MR Professional Standards or Grievance Committee, s/he may use the MR mandatory committee training, usually held the prior November, as his/her local training. *[BOD Minutes 01/27/10]*

3.2 Committees and Task Forces. Committees and task forces are created by the BOD to assist in the planning and implementation of Association programs and activities.

3.2.1 Affiliate.

Composition. The committee is open to all Affiliate members. The elected Affiliate Director will serve as chair and the Affiliate Director-Elect will serve as vice chair.

Specific Responsibilities. A committee for all Affiliate members to work cooperatively to support the Association, develop and maintain a speaker's resource from the Affiliate membership, assess industry-related problems, and suggest solutions to the BOD. Plan membership and charitable events and assist

with other events, to further the goals of the Association, and promote Association awareness among its members and the general public.

3.2.2 CEO Search Committee. Should the office of CEO become vacant, a CEO Search Committee will be established.

Composition. The committee will be chaired by the President and shall include as members the President-Elect, Treasurer, Immediate Past President, as well as one other Past President and one at-large Member appointed by the President. The President may appoint key staff member(s) to serve. Once established, the committee members will remain in place throughout the process until the search is completed.

Specific Responsibilities. Review the CEO job description and select an executive search firm, if needed, to help execute the recruitment process with approval of the BOD. Review, screen, and interview applicants. Narrow the candidate list to the top two to three (2-3) candidates who will be advanced for an additional interview(s) with the BOD. Develop a compensation package for the BOD to consider and approve. Have reference and background checks performed on final top candidates. Negotiate the offer with the selected candidate. *[BOD minutes 12/01/21]*

3.2.3 Community Outreach. *[BOD Minutes 12/21/16]*

Composition and Specific Responsibilities. The committee is open to all Members. Work to enhance public awareness of the REALTOR® organization and assist in its mission to enhance the quality of life in St. Charles County by providing opportunities for Members to participate in and assist community programs, organizations and activities that benefit the residents of St. Charles County. The committee will select projects and organize REALTOR® participation in coordination with other Association groups and committees as well as community organizations. In addition, the committee will strive to enhance community outreach and awareness by providing up-to-date real estate information to be disseminated to Members and the public through the media, social media, and other sources.

3.2.4 Government Affairs.

Composition and Specific Responsibilities. The committee is open to all Members. Members actively monitor county and local legislative issues that impact the St. Charles area real estate industry. In addition, the committee will maintain familiarity with national and state issues and utilize NAR and MR resources to assist with these efforts. The chair will appoint local liaisons to assist with committee work for Lincoln County, Warren County and surrounding counties, if appropriate.

All requests from candidates for municipal, county or state office for the Association's endorsement will be brought to the committee for consideration. Where appropriate, the candidate will be asked to come to a committee meeting and/or complete the Association's questionnaire. Committee members may discuss the candidate positions and offer their thoughts and opinions for consideration by the BOD. School board candidates may be asked to come to a committee meeting and/or complete the Association's questionnaire; however, the Association will not endorse school board candidates. *[BOD Minutes 03/23/22]*

Any request for the Association to take a position on ballot issues or legislation will be presented to the committee for consideration. Those seeking the Association's support of their positions will be invited to provide materials and/or make a presentation to the committee. Members or Association staff may also bring possible issues to the attention of the committee. Committee members will discuss the issue and refer it to the BOD for consideration. The committee chair should attend the BOD meeting where motions are to be brought forward. *[BOD Minutes 09/26/18]*

The committee will recommend member participation on boards or commissions, when relevant. Reflecting the NAR and MR models, the committee will put in place an effective Call to Action method for the Association to support and encourage member involvement in government and community issues.

3.2.5 Inclusion Advisory Council. *[BOD Minutes 03/27/24]*

Composition and Specific Responsibilities. The Inclusion Advisory Council consists of nine Members appointed by the President-Elect and presented to the Board of Directors for confirmation to one-year terms. The Council will meet a minimum of once per quarter, and its mission shall be to advise the Board of Directors and the Association committees on ways to act with inclusion and promote diversity within the Association.

3.2.6 Leadership Development. *[BOD Minutes 04/26/17]*

Composition and Specific Responsibilities. The committee is open to Members who have graduated from local, state, and/or national Leadership Academies, to exclude current local class members. Coordinate and plan the Association's annual Leadership Academy program.

3.2.7 Past Presidents. *[BOD Minutes 08/19/09]*

Composition. The committee is open to all Past Presidents of the Association.

Specific Responsibilities. Meet as needed or as they desire, for the purpose of the support of the President, the Association and the membership. The committee shall use their combined numerous years of experience in real estate sales/management and national, state, and local Association service to offer suggestions, ideas, and support in whatever way possible to advance the enthusiasm, attendance, and wellbeing of the Association. The committee shall be available to the Association President for requested projects and shall make suggestions/furnish ideas for consideration and possible implementation to that end. They shall set their own meeting schedule, appoint a chairperson, and receive Association staff support only when necessary.

3.2.8 Professional Development. *[BOD Minutes 12/21/16]*

Composition and Specific Responsibilities. The committee is open to all Members and will serve as the coordinator of all the Association's educational offerings. The committee will develop training curriculum and courses that cultivate professional development, use of technology, and inform Members on important subjects of interest. Provide opportunities for Members to maintain compliance with NAR, MR and Missouri Real Estate Commission requirements. Encourage training in and use of the Code of Ethics. Provide diversity awareness and education to Members and members of the St. Charles community. This would include planning and promoting educational programs to provide information on community resources, financial assistance, fair housing education, and other programs.

3.2.9 Public Relations and Marketing. *[BOD Minutes 01/24/24, 04/26/23]*

Composition and Specific Responsibilities. The committee is open to all Members and will work to engage Members in the work and activities of the Association and to promote the REALTOR® brand in the community. The committee will assist with social media content creation and promotion and will work in collaboration with other committees to accomplish the Association's goals. In addition, committee members work with Association staff, leadership and, where appropriate, with members of other committees to assist in the planning, marketing, and logistics of Association events. *[BOD Minutes 09/27/23]*

3.2.10 Strategic Planning. (All Members may attend as observers.)

Composition. The committee will be limited to twenty-four (24) members, including the members of the BOD, up to seven (7) at-large members appointed by the President-Elect, and the CEO. The President-Elect will serve as chair of the committee.

Specific Responsibilities. Establish long-range goals and objectives for the Association by involving all key stakeholders to achieve across-the-board buy-in by the entire Association. The committee will meet every three (3) years to prepare a comprehensive strategic plan for the Association. The committee will make its modifications to the BOD by the August BOD meeting, in the strategic planning year beginning in August 2021. The BOD will forward the strategic plan to the Finance Committee to be incorporated into the budget planning. The BOD will affirm the existing strategic plan in intervening years and refer to it in the preparation of the annual Association Strategic Objectives. *[BOD Minutes 8/15/18]*

3.3 Affiliated Organizations.

3.3.1 Young Professionals Network (YPN). The St. Charles YPN is an Association-sponsored, member-driven organization that helps young real estate professionals excel in their careers by giving them the tools and encouragement to become involved in four core areas: (a) attend REALTOR® conferences and pursue leadership roles within the local, state and national associations; (b) take an active role in policy discussions and advocacy issues and be informed about the latest industry news and trends; (c) network and learn from one another by attending events, participating in online communication, and seeking out mentoring opportunities; and (d) become exceptional members of their community by setting a high level of REALTOR® professionalism and volunteering for causes they feel passionate about.

The YPN is governed by an advisory board, as set out in its Bylaws, of which the vice chair is appointed annually by the President-Elect of the Association and any vacancies are appointed by the chair of YPN annually.

PART 4: BOD/ADMINISTRATIVE PROCEDURES

4.1 Solicitation of Funds. All requests for funding for sponsorships, charitable donations or any other purpose received from an industry group, charitable organization or other outside entity will be brought to the BOD for consideration. The Directors may consider those requests that further the mission of the Association. The Association will not support charitable or other activities organized or sponsored by member firms. *[BOD Minutes 10/18/17]*

4.2 Immediate Electronic Approval. *[BOD Minutes 04/21/21]* When deemed necessary by the President and CEO, an electronic vote of the Directors is acceptable if:

- 1) An explanatory post is placed in the committee's Landing Community containing the proposed motion, the background and rationale for the proposed motion, as well as the reason an electronic vote is needed, asking for a motion and a second, and giving members a chance to ask questions and offer their opinions.
- 2) No sooner than 24 hours later, an additional post will be placed in the Landing Community restating the motion and asking members for their vote on the proposal.
- 3) A majority of members do not *[BOD minutes 12/01/21]* object to the e-mail vote during the initial 24-hour discussion period.
- 4) All Directors have been contacted about the issue.
- 5) Response meets quorum requirements.

Confidential information (such as personnel, salary, and legal issues) *[BOD minutes 12/01/21]* will not be sent using this process. In the event all five (5) of the above conditions are not met, then either a special BOD meeting must be called to decide the issue or the decision must wait until the next scheduled BOD meeting.

4.3 Employment Contract. The CEO's employment contract, if any, will remain confidential and only members of the BOD will be privy to the contract.

4.4 Professional Standards Training. All members of the BOD will attend either an annual Professional Standards training program conducted by the Association (at no charge to the attendee) or attend the Annual Professional Standards seminar offered by MR (attendee to pay). *[BOD Minutes 01/30/09]*

4.5 Terminated Employees. Directors and staff are discouraged from contacting terminated employees to discuss matters relating to the terminated employee's prior employment or divulging information about the Association's operations or policies.

4.5.1 Exit Interviews. Any employees leaving the employment of the Association will be asked to participate in an exit interview with the CEO. The President or another officer of the Association appointed by the President will be invited to participate in that interview. The President or their representative may request from the employee leaving the employment of the Association an additional private interview. The President or his/her representative will share any pertinent information with the BOD at the next meeting. *[BOD Minutes 10/21/15]*

4.6 Professional Development. Professional development provided to leaders or staff will be administered in a fair and equitable manner in a way to best benefit the Association.

4.7 Employment Restriction. Members of the BOD will not be eligible to be considered for service as paid independent contractors or hired as employees of the Association for a period of one year after leaving the BOD. *[BOD Minutes 04/21/04, 06/16/04]*

4.8 Virtual Meetings. *[BOD Minutes 02/24/16]* When deemed appropriate by the President and CEO, the BOD may convene in a regular or special meeting via telephone conference or video conference. Any Board member may travel to the Association to participate in the meeting from that location.

4.9 Director Meeting Attendance. Members of the BOD may miss two (2) regularly scheduled meetings of the Board. The President or President-Elect shall contact the Director after two (2) absences. Director absence from three (3) regular meetings within a calendar year shall be construed as a resignation. A specific starting time and ending time shall be listed in all meeting announcements and on the agenda. To be counted in attendance at a meeting, members attending via video conference will be considered in attendance if they are "live" on screen for at least 75 percent of the scheduled meeting length. *[BOD Minutes 04/21/21]*

[BOD Minutes 02/24/16] A Director who is unable to attend a regular or special meeting of the BOD may attend via telephone conference or video conference. Such Director shall have full rights to participate in all aspects of the meeting. Directors may virtually participate in up to two (2) regularly scheduled *[Bylaws Minutes 04/30/18 & BOD Minutes 05/23/18]* meetings per year without negatively affecting their attendance requirements as outlined in the Bylaws of the Association. To be counted in attendance at a meeting, the members must be in attendance or attending virtually for 75 percent of the scheduled meeting time.

4.10 Request for Action by Staff. Except as outlined under committee staff liaison duties throughout this Manual, all other requests for information or action from staff will be made in writing to the office of the CEO. S/he will either respond to the request or direct appropriate staff members to respond.

PART 5: CEO AUTHORITY

5.1 Emergency Situations. In the event an emergency (defined as a condition that interrupts the daily operation of the Association) arises, the CEO is authorized to take such reasonable action as is required to remedy the situation unless it involves expenditure of Association funds in excess of \$5,000 [*Bylaws Minutes 04/30/18 & BOD Minutes 05/23/18*] which will require action by the BOD. The CEO will inform the President of such emergency as soon as possible.

5.2 Binding Agreements. The CEO, or CFO in the CEO's absence, is the only individual authorized to enter into binding legal agreements on behalf of the Association.

5.3 Professional Standards Training. The CEO will attend Professional Standards training annually.

5.4 BOD. The CEO shall serve as a non-voting, ex-officio member of the BOD.

PART 6: GENERAL OPERATIONAL PROCEDURES

6.1 Harassment. Any Member of the Association may be reprimanded, placed on probation, suspended or expelled for harassment of an Association or MLS employee or Association Officer or Director after an investigation in accordance with the procedures of the Association. As used in this section, harassment means any verbal or physical conduct including 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 appropriate disciplinary action to be taken shall be made by the investigatory team comprised of the President, President-Elect, and one (1) member of the BOD selected by the highest ranking officer not named in the complaint, upon consultation with legal counsel for the Association. Disciplinary action may include any sanction authorized in the MANUAL. If the complaint names the President or President-Elect, they may not participate in the proceedings and shall be replaced by the Immediate Past President or, alternatively, by another member of the BOD selected by the highest-ranking officer not named in the complaint.

NOTE: Suggested procedures for processing complaints of harassment are available online through <http://www.REALTOR.org>, or from the Member Policy Department. (Amended 5/08)

6.2 Wrongful Treatment. Any Member of the Association may be reprimanded, placed on probation, suspended, or expelled for wrongful treatment of an Association or MLS employee or Association Officer or Director after an investigation in accordance with the procedures of the Association. As used in this Section, unfair treatment is defined as any conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, disrespectful, intimidating or offensive work environment. This would include any effort at retaliation or intimidation of employees who bring forward complaints under this section.

The complaint shall be submitted in writing on a form provided by the Association. Said complaint will be delivered to the highest elected officer not named in the complaint. The decision of the appropriate disciplinary action to be taken shall be made by the investigatory team comprised of the President, President-Elect and/or Treasurer and one member of the BOD selected by the highest-ranking officer not named in the complaint, upon consultation with legal counsel for the Association. Disciplinary action may include any sanction authorized in the MANUAL. If the complaint names the President, President-Elect, or Treasurer, s/he may not participate in the

proceedings and shall be replaced by the Immediate Past President or, alternatively, by another member of the BOD selected by the highest-ranking officer not named in the complaint.

6.3 Free Continuing Education. When authorized through the Association’s annual operating budget, Members who pay their annual dues by 11:59 pm on December 15 of the preceding year will be eligible to receive twelve (12) hours of free continuing education classes during the coming year to be used January through June. *[BOD Minutes 10/27/21]* This will apply only to regular continuing education classes and will not include designation, certification or other special offerings. A Member who wishes to take additional continuing education classes, beyond the free classes, may purchase attendance to the classes at the regular Member rate.

6.4 Record Retention. The Association will follow MR’s Records Retention Schedule, as follows:

Accident reports and claims (settled)	7 years
Accounting ledgers and records:	
General journals, payables and receivables	7 years
General ledgers	Permanently
Bank statements reconciliation (monthly)	2 years
Cancelled checks	7 years
Charts of accounts	Permanently
Continued Education.....	4 years
Contracts	7 years
Correspondence:	
General.....	3 years
Legal	Permanently
CPA audited financial statements	Permanently
Depreciation records	Permanently
Employee personnel records (after termination).....	3 years
Expense reimbursements	7 years
Financial statements (monthly)	2 years
Financial statements (year-end)	Permanently
Historical:	
Articles of Incorporation	Permanently
Bylaws and Policies	Permanently
Minutes (Directors)	Permanently
Minutes (Committees).....	3 years
Issues Mobilization Political Action Committee records	7 years
Insurance policies.....	3 years
Inventory records.....	7 years
Invoice records.....	7 years
Membership:	
Applications (after dropped).....	1 year
Directories (printed)	Permanently
Historical	Permanently
Periodic reports	Permanently
Renewals	1 year
Special status records:	
Retired, Life, REALTOR® Emeritus, Honorary, Master, etc.	Permanently
Payment records.....	7 years
Payroll records	7 years

Petty cash records.....	3 years
Postage meter records.....	1 year
Professional Standards records	1 year
Property appraisals by outside appraisers.....	Permanently
Purchase orders	7 years
REALTORS® Political Action Committee and contribution records.....	7 years
REALTORS® Political Action Committee tax records.....	Permanently
Retirement and pension plan records	Permanently
(under control of plan administering firm)	
Sales records (billing requests, invoices and credit card slips)	7 years
Shipping records (UPS, Federal Express, USPS, etc.)	2 years

Tax Records:

Federal returns.....	Until clearance
State returns	Until clearance

6.5 Memorials and Funeral Notices. Flowers or memorial tributes, not in excess of \$75 [BOD Minutes 08/26/20], may be sent upon the death of an Association Member or a member of his/her immediate family (spouse, parent or child), subject to funds allocation in the Association’s annual budget. The Association will distribute funeral arrangement information on Association Members and/or their families, when requested by the affected Member, via a member-wide email and a Facebook posting. [BOD Minutes 04/18/12]

6.6 Alcohol Service. Any bar under the control of the Association at any meeting will discontinue service and close during the operation of the meeting. The closing of the bar may be excepted when an open bar is included in the event. The Association will strive to hire a professional bartender for such events.

6.7 Advertisement Limitation. Real estate companies, brokerages, agents and/or parent real estate franchising companies shall not participate as vendors or place recruiting advertising in any Association-related venue, publication or electronic publication of the Association. Affiliate Members may not promote or advertise a real estate brokerage at any Association event or in any advertising venue, publication or electronic publication of the Association. [BOD Email Vote 01/06/22, BOD Minutes 04/26/23]

6.8 WCR Promotion. The Association will work to promote and assist WCR activities when practical and not in conflict with the Association or its goals.

6.9 Billing Cycle. Where possible, billing will take place on a calendar basis.

6.10 Donation Recognition. Recognition of donations is generally limited to Members, governmental or nonprofit organizations. Supplies, materials or other things received in donation from Affiliate Members will be utilized in a way to provide fair, equal exposure.

6.11 Loaned Items. The Association assumes no responsibility for loaned items, and storage of such materials at the Association office is generally not allowed.

6.12 Legal Advice. Only the President and CEO, are authorized to contact the Association attorney relating to legal matters that incur expense to the Association.

6.13 Facility Rental. The CEO is authorized to schedule rental of available facilities to Members for functions not in conflict with Board-approved policy. Smoking in the facility is not permitted but is allowed outside on Association property. Rental rates are as follows: Classroom = \$125 full day/\$75 half day; Boardroom = \$100 full

day/\$50 half day. There will be an additional charge of \$50 for use of the Association video and/or audio equipment. The CEO has the authority to authorize reduced fees for multiple rentals by the same organization. *[Bylaws Minutes 04/30/18 & BOD Minutes 05/23/18]* These figures are to be reviewed annually as part of the Association budgeting process.

6.14 Community Organizations. The Association may maintain membership through staff in local Chambers of Commerce subject to funds allocation in the Association's annual operating budget.

6.15 Bonuses. Employee bonuses, if any, will be awarded by the CEO at his/her sole discretion, if there is money in the budgeted salary account to cover the bonuses. Any bonuses to the CEO or bonuses requiring non-budgeted funds must be approved by the BOD, and all bonuses must go through the payroll process in order to maintain proper accounting and employer/employee tax records.

6.16 Antitrust. The Association may not play any role in the competitive decisions of its Members, nor in any way restrict competition among Members or potential members. Rather, it serves as a forum for a free and open discussion of diverse opinions without in any way attempting to encourage or sanction any particular business practice.

The Association provides a forum for exchange of ideas in a variety of settings including its annual meeting, educational programs, committee meetings, and Board meetings. The BOD recognizes the possibility that the Association and its activities could be viewed by some as an opportunity for anticompetitive conduct. Therefore, this statement supports the policy of competition served by the antitrust laws and to communicate the Association's uncompromising policy to comply strictly in all respects with those laws.

While recognizing the importance of the principle of competition served by the antitrust laws, the Association also recognizes the severity of the potential penalties that might be imposed on not only the Association but its Members, as well in the event that certain conduct is found to violate the antitrust laws. Should the Association or its Members be involved in any violation of federal/state antitrust laws, such violation can involve both civil and criminal penalties that may include imprisonment for up to three (3) years as well as fines up to \$350,000 for individuals and up to \$10,000,000 for the Association, plus attorney fees. In addition, damage claims awarded to private parties in a civil suit are tripled for antitrust violations. Given the severity of such penalties, the Association intends to take all necessary and proper measures to ensure that violations of the antitrust laws do not occur.

To ensure that the Association and its Members comply with antitrust laws, the following principles will be observed:

The Association or any committee, section, chapter, or activity of the Association shall not be used for the purpose of bringing about or attempting to bring about any understanding or agreement, written or oral, formal or informal, expressed or implied, among two or more Members or other competitors with regard to prices or terms and conditions of contracts for services or products. Therefore, discussions and exchanges of information about such topics will not be permitted at Association meetings or other activities.

There will be no discussions discouraging or withholding patronage or services from, or encouraging exclusive dealing with, any supplier or purchaser or group of suppliers or purchasers of products or services, any actual or potential competitor or group of actual potential competitors, or any private or governmental entity.

There will be no discussions about allocating or dividing geographic or service markets or customers.

There will be no discussions about restricting, limiting, prohibiting, or sanctioning advertising or solicitation that is not false, misleading, deceptive, or directly competitive with Association products or services.

There will be no discussions about discouraging entry into or competition in any segment of the marketplace.

There will be no discussions about whether the practices of any Member, actual or potential competitor, or other person are unethical or anticompetitive, unless the discussions or complaints follow the prescribed due process provisions of the Association's Bylaws.

Certain activities of the Association and its Members are deemed protected from antitrust laws under the First Amendment right to petition government. The antitrust exemption for these activities, referred to as the Noerr-Pennington Doctrine, protects ethical and proper actions or discussions by Members designed to influence: 1) legislation at the national, state, or local level; 2) regulatory or policy-making activities (as opposed to commercial activities) of a governmental body; or 3) decisions of judicial bodies. However, the exemption does not protect actions designed to cover up anticompetitive conduct.

Speakers at committees, educational meetings, or other business meetings of the Association shall be informed that they must comply with the Association's antitrust policy in the preparation and the presentation of their remarks. Meetings will follow a written agenda approved in advance by the Association or its legal counsel.

Meetings will follow a written agenda. Minutes will be prepared after the meeting to provide a concise summary of important matters discussed and actions taken or conclusions reached.

At informal discussions at the site of any Association meeting all participants are expected to observe the same standards of personal conduct as are required of the Association in its compliance.

6.17 Political Candidate Endorsement. Upon BOD approval, the Association will publicize its endorsement to Members through all available electronic communication. Endorsed candidates may also receive the electronic Association roster including e-mail addresses.

6.18 Green Policy. The Association is committed to preserving our environment for future generations. In keeping with its mission of being wise stewards of both natural resources and Association resources, the following procedures will be followed by Association leadership, committees, volunteers and staff.

6.18.1 Committee Procedures. An "action agenda" will be printed for the BOD and all committees. All supporting materials for the agenda will be electronically delivered to Directors or committee members prior to the meeting for their review. These documents, if necessary, will be projected and displayed electronically at the meeting. Members are welcome to bring portable computers or other electronic devices to the meetings and will be given access to the Association's wi-fi network. Documents that cannot be safely transmitted electronically may be printed for members if necessary for Board or committee operations.

6.18.2 Education. The Association will only provide printed handouts or materials necessary for the completion of the course, i.e., quizzes and other question-related materials. Additional materials will be printed when deemed necessary by the instructor or Association staff or required by Missouri Real Estate Commission regulations. Supporting course materials, such as PowerPoint presentations, will be made available on the Association website. Students will be permitted to utilize computers or other electronic devices during the class to view course materials and to take notes, in accordance with Missouri Real Estate Commission regulations.

6.18.3 Event and Class Promotions. The Association will utilize all electronic mediums available to promote Association events, classes and other activities. Flyers will be prepared by Association staff and electronically transmitted to membership. Only flyers deemed necessary by Association leadership or staff for special presentation or marketing efforts will be printed.

6.18.4 Billing. All Association invoices will be transmitted electronically to all Members. Members will be required to provide the Association with a valid e-mail address for this purpose. An annual fee, established by the BOD, will be charged to any Member who requests to receive their invoices through the U.S. Postal Service.

PART 7: MEETING AND COMMITTEE PROCEDURES

7.1 Event Scheduling. Scheduling of major Association, NAR, MR or WCR events on the same day should be avoided.

7.2 Installation Banquet Tickets. A free ticket will be provided to up to two emcees and the Association installing officer at each Installation Dinner. *[BOD Minutes 09/21/16]* One free ticket will be provided to all current and incoming members of the BOD who attend the Installation Banquet. *[BOD Minutes 11/16/16]*

7.3 Installation Cost Sharing with WCR. When involved, WCR will be charged \$500 and will pay for their own flowers, gavel, etc. *[BOD Minutes 12/02/20, 03/17/21, 04/21/21, 12/01/21]*

7.4 REALTOR® Only Meetings. REALTOR® Only meetings will be held as deemed necessary *[Bylaws Minutes 04/30/18 & BOD Minutes 05/23/18]* by the BOD.

7.5 Past Presidents. Past Presidents will be invited to attend the REALTOR® Only meetings.

7.6 Awards. *[Entire section updated BOD Minutes 02/27/24, BOD Minutes 03/27/24]*

7.6.1 Award Selection Committees. Broker of the Year (previously REALTOR® of the Year), Salesperson of the Year (previously REALTOR® Salesperson of the Year), Rookie of the Year, and Affiliate of the Year award selection committees, which select the upcoming recipients, will be comprised of the last four (4) winners for each award, with no more than one (1) person from any one (1) company, and three (3) at-large members appointed by the President. *(BOD Minutes 12/16/09)*

7.6.2 Recognition Awards. Awards may be granted in the following categories: Broker of the Year, Salesperson of the Year, Rookie of the Year, Affiliate of the Year and President's Award.

7.6.2.1 Broker of the Year Award. All primary Members of the Association who hold a broker-type license and currently serve as a broker-owner and/or designated broker or broker manager will be eligible for this award. The award will be given to a Member who has given exceptional service to their company, the Association, and/or the community. Nominations will be sought each year for this award from REALTOR® and REALTOR-ASSOCIATE® Members of the Association. The award will be given if, in the opinion of the selection committee, there is a nominee recommended who merits the award. Additional nominees may be brought by the selection committee at the award selection meeting. *(BOD Minutes 12/16/09, 04/27/16)*

7.6.2.2 Salesperson of the Year Award. All primary Members of the Association who hold a salesperson or broker-salesperson license (not a managing broker) will be eligible for this award.

The award will be given to a Member who has attained outstanding sales volume and given exceptional service to their company, the Association, and/or the community. Nominations will be sought each year for this award from REALTOR® and REALTOR-ASSOCIATE® Members of the Association. The award will be given if, in the opinion of the selection committee, there is a nominee recommended who merits the award. Additional nominees may be brought by the selection committee at the award selection meeting.

7.6.2.3 Rookie of the Year Award. All primary REALTOR-ASSOCIATE® Members of the Association, who were licensed after January 1 of the prior year, will be eligible for this award. The award will be given to a Member who has achieved a high sales volume and given exceptional service to their company, the Association, and/or the community. Nominations will be sought each year for this award from REALTOR® and REALTOR-ASSOCIATE® Members of the Association. The award will be given if, in the opinion of the selection committee, there is a nominee recommended who merits the award. Additional nominees may be brought by the selection committee at the award selection meeting.

7.6.2.4 Affiliate of the Year Award. All Affiliate Members of the Association will be eligible for this award. The award will be given to a Member who has given exceptional service to their company, the Association, and/or the community. Nominations will be sought each year for this award from Affiliate and REALTOR®/REALTOR-ASSOCIATE® Members of the Association. The award will be given if, in the opinion of the selection committee, there is a nominee recommended who merits the award. Additional nominees may be brought by the selection committee at the award selection meeting.

7.6.2.5 President's Award. The award may be given, at the discretion of the President, to whom s/he feels merits the award.

7.6.3 MR Award Nominations. The State Directors of the Association will submit nominees for application for MR REALTOR® of the Year and REALTOR® Salesperson of the Year awards, as well as other annual MR awards, to the Association's BOD. The prior year local Association Broker of the Year and Salesperson of the Year award winners will automatically be considered by the BOD, along with any other nominees nominated by the Association's State Directors. The BOD may bring additional nominations forward for consideration. The Board will vote and approve one (1) nominee for application for the MR REALTOR® of the Year and one (1) nominee for application for the MR REALTOR® Salesperson of the Year. In addition, the BOD may decide to submit one (1) nominee application for each of the MR Annual Awards. *[Bylaws Minutes 04/30/18 & BOD Minutes 05/23/18, 04/18/18]*

7.6.4 Award Deadlines. The deadline for local recognition awards will be October 5 to allow time for the selection process, plaque ordering, etc. for recognition at the Installation Banquet. *(BOD Minutes 12/16/09, 03/15/17)* The deadline for MR recognition awards will be February 5 to allow for selection and approval by the BOD at its February meeting and subsequent submission to MR by the respective deadlines.

7.6.5 Award Recipients. Awards are limited to Members in good standing unless posthumous.

7.7 Report of Profitability. A report illustrating revenue versus expense will be submitted to Finance Committee to show the net revenue or net loss from each major program or event within 45 days of the conclusion of the program or event.

7.8 Nonmember Attendance. Individuals not holding a membership in the Association may attend events and participate in certain membership activities or promotions. A higher fee may be charged to nonmembers. Members may bring guests to events and not be charged a higher fee if the guests are reasonable in number. Members of other REALTOR® Associations may be assessed a service fee for purchased services. [*See Board of Choice Attachment to Bylaws (03/27/02)*].

7.9 Missed Meetings. Directors and committee members missing meetings paid for by the Association will not be reimbursed for related expenses and will be responsible for reimbursing the Association for related registration fees and other expenses.

7.10 Member and Guest Attendance at Meetings. All meetings, except Credentials and Elections Committee, CEO Evaluation Committee, CEO Search Committee, Grievance Committee, and Professional Standards Committee, are open to the Members (and guests invited by the chair), unless specifically closed by the chair for Executive Session. In order to facilitate meetings, each Member or guest will be allowed to address the meeting after first stating his/her name, membership status or guest affiliation, and general topic of his/her comments. Any such speaker who wishes to make comments will do so at the designated time at the beginning of the meeting prior to the business portion of the meeting. Each speaker will be provided up to three (3) minutes per meeting. [*BOD Minutes 2/26/20*]

7.11 Member Attendance at BOD Meetings. Regularly scheduled BOD meetings are open to Members who wish to observe the proceedings, unless the meeting is closed for Executive Session. Any Member who wishes to address the BOD may do so in the Member Forum portion of the meeting. After identifying themselves, the Member may take up to three (3) minutes to address the BOD. Non-BOD Members in attendance are not eligible to participate in BOD discussions.

7.12 Joint Membership Meetings. All general membership meetings that are joint meetings will have everything in writing prior to any commitment being made. [*BOD Minutes 10/15/08*]

7.13 Finance Meetings. Finance Committee meetings will not take place prior to the tenth (10th) of each month.

7.14 Area Association Leadership Tickets. Additional complimentary tickets to Association events may be provided to area Association leadership if approved by the BOD, or in the annual budget. [*Bylaws Minutes 04/30/18 & BOD Minutes 05/23/18*]

7.15 Golf Tournament Cancellation. The golf tournament will be held rain or shine. However, in the event the golf course shuts down or cancels due to inclement weather, the event will be moved to the clubhouse, if available, where all participants (golfers and sponsors) can network and enjoy refreshments. If the golf contract allows for a rescheduled date/rain check for golfers, the Association will consider rescheduling the event within six months of the original date and offer half price sponsorships to the original sponsors. [*BOD Minutes 04/26/23*]

PART 8: MEMBERSHIP SERVICES POLICIES

8.1 New Member Approval. New Member applicants will be forwarded to the BOD for approval.

8.2 New Member Orientation. New REALTOR®, REALTOR-ASSOCIATE®, and Designated REALTOR® applicants will be required to attend New Member Orientation classes within ninety (90) days [*BOD Minutes 09/15/04*]. A new Member applicant's failure to attend New Member Orientation classes will be reported to his/her DR after the second opportunity has passed and will be assessed as a nonmember licensee. The DR will have three (3)

working days to: (a) pay the assessed dues, (b) terminate affiliation with the applicant, or (c) file a written appeal to the BOD.

8.3 Temporary DR Membership Services. DR applicants will be provided full Association services for a maximum of thirty (30) days or until the applicant's status has been approved or disapproved by the BOD. If disapproved, all Association services to the DR applicant will immediately cease.

8.4 Reapplication for Membership. Members who have been dropped from membership will be required to apply for reinstatement and pay a reinstatement fee of \$25.

8.5 Non-Refundable Application Fee. The new member Application fee of \$100 is nonrefundable. *[BOD Minutes 10/27/21]*

8.6 Transfer Fee. If a company is purchased by or merges with another company, or elects to change the company name or franchise affiliation, the company will be charged Transfer Fees as follows:

<u>NUMBER OF AGENTS</u>	<u>COMPANY CHARGE</u>
1-50	\$ 50
51-100	\$ 100
101-500	\$ 500
501 plus	\$1,000

Members voluntarily electing to transfer or change from one firm/office to another will be charged a transfer fee of \$25. *[BOD Minutes 06/18/03]* This transfer fee shall be waived for members transferring from another REALTOR® organization or who are applying for secondary membership, or at the discretion of the CEO. All transfers, waivers, etc. are to be submitted to the Association no later than the close of business on the 25th day of the month to avoid MARIS charges for the upcoming month.

8.7 Membership Rosters. The electronic email roster of Association Members who have not opted out of the email roster is available to Members who agree to and sign the Electronic Roster Request/Agreement for \$200. *[BOD Minutes 10/27/21, 01/30/09]* Distribution to or use of the membership roster by nonmembers is strictly prohibited, except as specifically allowed in policy 6.17. *[Bylaws Minutes 04/30/18 & BOD Minutes 05/23/18, 12/01/21]*

8.8 Reservations and Cancellation. Members making reservations for events, classes and activities will be billed regardless of Member attendance. Members who register for free continuing classes and fail to attend will lose the education hours they failed to attend. Members who receive free tickets to classes or events and fail to attend may be billed a no-show fee. Refunds will not normally be allowed except when indicated in the event or class advertising.

8.9 Member Ability to Charge Purchases. The ability to charge purchases made for Association programs, services and products will only be available to Member DRs, REALTOR® Office Managers, and an Affiliate office's main Affiliate Member. Invoices will be placed on the Member's online Portal which are due and payable within thirty (30) days. In addition, invoices not paid by the due date may be subject to late fees and possible suspension of services.

8.10 Late Fees and Suspension of Services. A service charge may be added to all accounts more than thirty (30) days past due. The service charge of 10 percent per month may be assessed on account balances under \$100, and a service charge of 5 percent per month may be added to all accounts over \$100. All accounts over sixty (60)

days past due will be brought by the CEO to the BOD for consideration of suspension of Association services until the balance is paid. *[BOD Minutes 04/21/21]*

8.11 Dues Non-Refundable. Membership dues are not refundable.

8.12 Dues Late Fee. The Association will assess a \$100 late fee on all delinquent dues payments, which must be paid, along with the dues, before the Member is reinstated.

8.13 Returned Check. The Association will assess a \$40 *[BOD Minutes 04/21/21]* fee for returned checks.

8.14 Sponsorship Payment. All sponsorships and advertisements will be paid in advance.

8.15 SUPRA Key Issuance. A SUPRA Key may be issued to a new member applicant once s/he has completed application, paid dues and presented ID and work permit (work permit not applicable to Affiliate new member applicants).

8.16 Honorary Life Local Membership. The BOD, at its discretion, may award an Honorary Life Local Membership to individuals who have retired and are not actively engaged in the business through which they were members of the Association. To be eligible, individuals will have been active members of the Association for a minimum of at least twenty (20) years and have served the Association as a BOD member, State Director, committee chair or committee member. Honorary Life Local Membership recipients will receive all Association communication and be entitled to member pricing for all events and activities. Individuals receiving this membership will be honored by the BOD at a Board meeting or Association event. *[BOD Minutes 10/21/15]*

8.17 Member Review of Financial Reports. Members may, by appointment only, come to the Association to view financials with the CFO. Members may not take anything off premises. *[BOD Minutes 01/29/20]*

PART 9: NOMINATIONS/ELECTION PROCEDURES

9.1 Affiliate Director-Elect. Nominations for Affiliate Director-Elect will be accepted and handled along with other nominations. The Affiliate Director-Elect will make the transition to Affiliate Director the following year and to step up if the Affiliate Director would be unable to fulfill his/her duties. The Affiliate Director-Elect may attend BOD meetings. *[BOD Minutes 07/21/04]*

9.2 Member Involvement and Education in Association Elections. All approved candidates for Association officer and Director will be asked to submit a 300-word or less real estate industry-related biography, in single-space paragraph format, and photo to the Association within two weeks of the Board's approval of the slate of candidates. *[BOD Minutes 07/15/09]* This biographical information/photo will be published electronically prior to the election. All efforts will be made to encourage participation of candidates and of Members in the nomination and election process.

9.3 Candidates' Use of Logo. The use of the Association logo does not imply Association endorsement of candidates running for Association-elected positions.

9.4 Ballot Process. Voting shall be by online ballot, and all votes shall be cast in person at the Association office or online beginning ten (10) business days prior to the Annual Meeting and continuing through 11:59pm on the tenth business day. The election results will be available for certification prior to the start of the Annual Meeting. The Immediate Past President will chair the Election Certification Task Force and select two additional

Past Presidents to serve on the task force. This task force will be responsible for certifying the election results with the assistance of the CEO. The results will be announced by the President at the end of the Annual Meeting. All the results will be presented to the BOD in Executive Session at the next regular BOD meeting. Vote totals will be confidential and only released to candidates requesting the information in their race. *[BOD Minutes 04/21/21]*

9.5 Company Limitation Procedures. *[BOD Minutes 04/19/06]* The number of representatives from each company on the BOD is limited by Article XI, Section 3 of the Association Bylaws. If a company is already guaranteed the maximum representation in the coming year, the Credentials and Elections Committee *[BOD Minutes 04/21/21]* will reject the nominations of any additional individuals from that company for positions as an officer or member of the BOD. In all other cases, the Credentials and Elections Committee shall not reject any nominations from Members associated with a particular company, even if this results in more individuals standing for election than can be elected from that company. In these cases, the following procedures will be followed by the Association:

- 1) The Association Officers not on the ballot *[BOD Minutes 04/21/21]* will first look at the officers of the Association up for election in the following order: President-Elect and Treasurer (i.e., a candidate from a particular company who wins election for the position of President-Elect will be considered elected first, followed by candidates from that company for the other officer positions and Director positions until the company's representation limitation is reached).
- 2) In the event that Members from a particular company win the election to positions that s/he cannot hold due to the representation limitation, the next highest vote getter for that officer or Director position will be considered elected.

9.6 Vacancies. Any vacancies on the BOD will be appointed by the President and approved by a majority vote of the BOD until the next election. Once the candidates are certified by the BOD, the election cycle for the current year has begun. At the next election, the vacancy will be filled by a vote of the members for the remaining portion of the term unless the vacancy was a direct result of a dual position (Bylaws Article XI Section 3A(8)). All candidates for Director will run on one ballot with those receiving the highest votes getting the longest available terms. *[BOD Minutes 05/24/23, 04/21/21]*

PART 10: EDUCATION

10.1 Instructor Qualifications. *[BOD Minutes 12/19/22]* Providing quality education to our Members is important to the success of our Members, our industry, and the Association. It is our goal to enhance our Members' experience by providing quality, timely, and relevant classes taught by subject matter experts. The following are the qualifications required for instructors in the various education areas.

10.1.1 General Instructor Requirements.

- 1) Member in good standing
- 2) Subject matter expert with experience in the field of the subject being taught
- 3) Attendance of the class prior to teaching it

10.1.2 Additional Requirements for New Member Orientation A.

- 1) Service on an Association committee within the last two years
- 2) Attendance at an MR meeting and participation in an output group or mission committee meeting within the last two years
- 3) Investment in RPAC within the last two years

- 4) Attendance at an NAR meeting within the last two years

10.1.3 Additional Requirements for Ethics. *[BOD Minutes 05/29/24]*

- 1) Attendance at a professional standards training within the last three years
- 2) No violations of the Code of Ethics

10.1.4 Additional Requirements for Broker Class.

- 1) Experienced broker owner or managing broker responsible for overseeing a minimum of five sales associates for a minimum of three years

10.2 Utilization of Association Classes at Outside Locations. *[BOD Minutes 04/26/23]* Association courses may only be taught by Association volunteer instructors who have taught a class at the Association within the last two years. These volunteer instructors may borrow and teach the Association's classes, must meet the Instructor Qualifications as outlined in Section 10 and follow the below guidelines:

10.2.1 List of Class Attendees. The instructor will provide the Association, via electronic submission in Excel format, a list of all licensed attendees, including their name (as it appears on their real estate license), address, phone, and real estate license number, no later than one business day after the date of the class.

10.2.2 Class Advertising and Registration. The instructor is responsible for the handling of advertising and registration. All advertising materials must be submitted to the Association for approval prior to its distribution.

10.2.3 Course Completion Certificates. The Association will prepare course completion certificates for all attendees and will distribute via email per MREC rules.

10.2.4 Course Handouts. The Association will provide a set of originals of any course handout materials to the instructor who is responsible for providing copies to their students.

10.2.5 MREC Rules and Regulations. The instructor is responsible for reviewing the MREC Rules and Regulations with the students at the beginning of each class and for the enforcement of these rules. The Association does not allow any disregard of the MREC rules.

10.2.6 Class Monitoring. If there are more than 25 licensees in the class, the instructor is responsible for providing a monitor to assist in ensuring that all attendees follow the MREC Rules and Regulations.

10.2.7 Sign-In Sheet. The instructor is responsible for ensuring that all attendees print their name legibly and provide their signature on the sign-in sheet provided by the Association. The instructor will deliver each sign-in sheet to the Association no later than one business day after the date of the class. This delivery will serve as the instructor's verification that all students and the instructor followed the MREC Rules and Regulations.

10.2.8 Royalty Fee. The instructor will pay a royalty fee of one hundred dollars (\$100) for each class session. The Association will invoice the instructor or their designee for these fees.

10.3 Independently Authored Classes. *[BOD Minutes 04/26/23]* For classes authored independently, prior to submission to MREC, the author will execute the intellectual property release form.

PART 11: PROFESSIONAL STANDARDS ADMINISTRATION

11.1 Guidelines. The Association will abide by the MANUAL and the Agreement in Professional Standards matters. *[BOD Minutes 03/22/06]*

11.2 Anonymous Complaints. The Association will only accept non-anonymous complaints. *[BOD Minutes 02/24/16]*

11.3 Tape Recordings. Only the Association will record proceedings. *[BOD Minutes 04/21/21]*

11.4 Administrative Processing Fee. In addition to the discipline imposed, the Association will impose an administrative processing fee in the amount of \$500 against the respondents found in violation of the Code or other membership duties.

11.5 Hearing Panel Packets. The Association will send the complaint and response to Hearing Panel members a minimum of ten days prior to the hearing.

11.6 Firearms and Weapons. Complainants, respondents and any individuals that accompany them to any professional standards/arbitration hearings/mediation conferences shall be banned from bringing any firearms or other weapons into the building in which the hearing/mediation conference is held. *[BOD Minutes 09/26/18]*

11.7 Expedited Hearings. The Association will offer the expedited hearing procedures.

11.8 Ethics Appeal Deposit. The Association will charge \$250 for an ethics appeal deposit. If the recommendation of the hearing panel is adopted, the money deposited by the appellant shall pass into the general treasury of the Association. If the recommendation is rejected, the deposit shall be returned to the party who made the deposit. If the recommendation is modified, the Directors shall determine the disposition of the deposit.

11.9 Voluntary Arbitration. The Association will not offer voluntary arbitration.

11.10 Arbitration Filing Fee. The Association will charge a nonrefundable \$500 arbitration filing fee. *[BOD Minutes 10/30/19]*

11.11 Absence of Respondent in Arbitration. The Association will continue with its policy that in the event that the respondent fails to sign and return the Arbitration Response and Agreement Form, or fails or refuses to make the required deposit, or fails or refuses to take part in the arbitration hearing, the arbitration hearing may be scheduled and conducted in the absence of the respondent (*Option 3 in 2006 CEAM*).

11.12 Arbitration Award. If an arbitration award has been rendered, the non-prevailing party must, within ten (10) days following receipt of the award, (1) pay the award to the party(ies) named in the award or (2) deposit the funds with the Association Secretary or Executive Officer to be held in a special Association escrow account maintained for this purpose. Failure to satisfy the award or to deposit the funds with the Association within this time period may be considered a violation of a membership duty and may subject the Member to disciplinary action at the discretion of the BOD.

The non-prevailing party shall have twenty (20) days following service of the award to request procedural review of the arbitration hearing procedure or to have legal counsel notify the Association Secretary or Executive Officer that a legal challenge to the validity of the award has been initiated.

If a request for limited procedural review of the arbitration procedure is received within twenty (20) days, the funds deposited with the Association shall be retained in the Association's escrow account until the review is completed. If the arbitration award is confirmed by the BOD following the conduct of the limited procedural review, the non-prevailing party shall have an additional fifteen (15) days to institute an appropriate legal challenge to the validity of the arbitration award. In such case, the non-prevailing party shall also cause legal counsel to advise the Association in writing that a suit challenging the validity of the arbitration award has been filed during this additional fifteen (15) day period. After fifteen (15) days, if written notice of a suit challenging the validity of the arbitration award has not been received by the Association, the funds shall be released from escrow and paid to the prevailing party. If written notification is received during the fifteen (15) day period, the funds will be held in escrow pending the determination of the matter by a court of competent jurisdiction.

If the non-prevailing party does not request the Association to conduct a procedural review of the arbitration hearing process during the twenty (20) day period following service of the award, then written notification that a legal challenge has been instituted must be received within the twenty (20) days following service of the award. Failure to provide written notification that a suit challenging the validity of the award has been filed within twenty (20) days following service of the award will result in the award being paid from the Association's escrow to the prevailing party.

Any failure to make the necessary deposits with the Association shall be referred to the BOD for action at their next meeting or at a special meeting called for that purpose. The party failing to make the deposit on a timely basis shall be advised of the date, time, and place of the meeting and shall have an opportunity to explain why the required deposits were not made on a timely basis. The BOD may, at its discretion, impose discipline or may give the party an additional period to make the required deposits. The Directors may also stipulate appropriate discipline to be automatically imposed if the party fails to make the deposit within the time established by the Directors.

Any interest accrued on the escrowed funds shall become the property of the party to whom the funds are ultimately released by the Association.

11.13 Procedural Review in Arbitration Filing Fee. The cost to file a request for procedural review of arbitration hearing procedures shall be \$250 (nonrefundable).

11.14 Ombudsman. *[BOD Minutes 06/17/15]*

11.14.1 Purpose. The purpose of the Ombudsman is to provide a knowledgeable, informed contact when REALTOR® Members or members of the public have real estate-related questions that have not been addressed by an individual broker.

The role of the Ombudsman is to identify and attempt to facilitate a resolution of misunderstandings and/or disagreements before matters evolve into a formal complaint. Ombudsmen should be available for an approximate two-week period to take ombudsman requests.

11.14.2 Qualifications.

- 1) Must have a minimum of five (5) years in the real estate business and be actively involved in real estate practice
- 2) Be familiar with the Code, Missouri real estate statutes and regulations, and applicable MLS Rules and Regulation
- 3) Be a primary Member of the Association

- 4) Completed Professional Standards training and have served on a Grievance Committee or Professional Standards Committee or have completed Professional Standards training and Mediation training

11.14.3 Responsibilities.

- 1) Maintain confidentiality of all parties
- 2) Must be impartial – cannot take sides or determine who is right or wrong
- 3) Field and respond to any real estate questions including but not limited to:
 - a) General questions about real estate practice
 - b) Transaction details
 - c) Ethical practices
 - d) Options for filing complaints
 - e) Questions of compliance with governing documents

11.14.4 Selection and Term.

The BOD will appoint ombudsmen. Appointment will be for a one-year term and may be renewed at the option of the BOD. The Association will maintain a pool of at least three (3) Ombudsmen to be available at all times.

11.14.5 Limitations.

The Ombudsman may not refer concerns s/he has regarding the conduct of any party utilizing his/her services to the Grievance Committee, to the MREC, a local MLS Committee or to any other regulatory body except that concerns that the public trust has been violated will be referred to the Grievance Committee.

The Ombudsman will adhere to Article 11 of the Code and make appropriate referrals when the issues are outside his/her area of expertise.

11.14.6 Ombudsman Process.

- 1) Listens to the complainant's concerns
- 2) Helps determine a desired outcome (money, license sanctions, MLS concerns, etc.)
- 3) Explains possible avenues that might resolve the issue or reach the desired outcome
- 4) Answers general questions and/or procedural questions
- 5) Contacts the potential respondent to explain the complainant's concerns and desired outcome
- 6) Tries to bring resolution.
- 7) Reports back to the complainant
- 8) Explains the complainant's rights after the completion of the ombudsman process

If the ombudsman process is unsuccessful, the complainant may file a complaint with the Association, may obtain legal advice from an attorney, or drop the issue.

The ombudsman service works in conjunction with our REALTOR® Professional Standards process. Once the ombudsman service begins, the 180-day filing deadline is suspended until the ombudsman service is completed.

If the Association's ombudsman process is initiated by the complainant with respect to conduct that becomes the subject of a subsequent complaint, the 180-day filing deadline shall be suspended beginning with the date of the request for the ombudsman service and shall resume when the service is concluded.

11.14.7 Ombudsman's Responsibilities to the Association.

- 1) Attempt to call the complainant within forty-eight (48) hours
- 2) After two (2) to three (3) attempts to call the complainant and no response is forthcoming, discontinue the call
- 3) Notify the Association immediately if complainant cannot be reached
- 4) Notify the Association, via email, of the outcome of your assignment within two (2) days of completion
- 5) Destroy all notes taken during the process

11.15 Citations. *[BOD Minutes 07/22/15]*

Complaints, as referred by the Grievance Committee, will be reviewed by the Citation Panel, comprised of three (3) individuals, to determine eligibility for the citation program and the appropriate citations. The Citation Panel shall be a subset of the Association's Professional Standards Committee, and the individuals on the Citation Panel shall have a high level of experience in hearing professional standards cases. The Panel shall meet in person or via conference call.

Complaints [non-anonymous only per 02/24/16 BOD Minutes] must be filed within one hundred eighty (180) days after the facts constituting the matter complained of could have been known in the exercise of reasonable diligence or within one hundred eighty (180) days after the conclusion of the transaction or event, whichever is later.

Throughout this policy, day(s) refers to calendar day(s).

The Association's Citation Policy only includes Articles and Standards of Practice, as well as fines and citation limitations, as outlined in NAR's Citation Policy.

Initial Review by Grievance Committee and Citation Panel

When the Grievance Committee receives a written ethics complaint, it will review the complaint consistent with Sections 19 and 20 of the current MANUAL. The Grievance Committee may add or delete articles or respondents at this stage in the proceedings.

If the Grievance Committee determines that the complaint should be forwarded for a hearing, it will then check if all the Articles cited and forwarded for hearing are included on the Citation Schedule. If so, the Grievance Committee will first forward the complaint to the Association's Citation Panel to determine if it includes allegations covered by the Citation Schedule, i.e., if it is a "citable offense."

If the complaint does not include alleged violations included in the Citation Schedule, or it includes some covered by the Citation Schedule and some that are not, the complaint shall be referred to the Professional Standards Committee for hearing consistent with the policies and procedures set forth in the MANUAL for ethics hearings.

If the complaint includes only allegations of violations included in the Citation Schedule, the Citation Panel will issue a citation and impose discipline consistent with the Association's Citation Schedule. In the event the members of the Citation Panel determine the conduct described in the complaint is sufficiently egregious to warrant a hearing rather than a citation, the complaint shall be referred to the Professional Standards Committee for hearing consistent with the policies and procedures set forth in the MANUAL for ethics hearings.

Issuance of Citations

Citations will be sent to respondents. A copy of the citation shall also be sent to the REALTOR® principal of respondents' office. If the respondent changes firms before or after the complaint is filed but before the citation is issued, both the former and current REALTOR® principal will receive a copy of the citation.

The respondent will have twenty (20) days from receipt of the citation to request a full due process hearing on the complaint.

If the respondent accepts the citation, or if the respondent does not request a hearing within twenty (20) days of receipt of the citation, this shall be deemed to be a final resolution of the complaint, which shall not be appealable or subject to any further review.

If the respondent accepts the citation, or if the respondent does not request a hearing within twenty (20) days of receipt of the citation, payment must be received by the Association no later than ten (10) days after the date of acceptance or time period to request a hearing has elapsed.

The case will be deemed to be closed upon receipt of payment and completion of education required by the specific citation, if any, and notice will be provided to the complainant that a citation has been issued and paid. When education is required for a citation, completion of course must be submitted to the Association within forty-five (45) days after the date of acceptance or time period to request a hearing has elapsed for the case to be closed.

Failure to pay the citation amount within ten (10) days after the date of acceptance or after the time period to request a hearing has expired will result in the automatic suspension of membership until the citation has been paid.

If the respondent requests a hearing within the time specified, the complaint shall be referred for hearing.

Limitations

Any REALTOR® is limited in the number and type of citations that s/he may receive, according to the following rules:

No more than two (2) citations will be issued to a Member within a consecutive 12-month period, starting on the date the first complaint was filed, at the same association. If the Member reaches the two-citation maximum, additional complaints, if forwarded by the Grievance Committee, will bypass the Citation Panel and go directly to a hearing.

No more than three (3) citations will be issued to a Member within a consecutive 36-month period, starting on the date the first complaint was filed, at the same association. If the Member reaches the three-citation maximum, additional complaints, if forwarded by the Grievance Committee, will bypass the Citation Panel and go directly to a hearing.

No additional citations are permitted where the cumulative fine for the citations issued would be more than \$5,000 in any three-year period at the same association. If the Member reaches the \$5,000 cumulative fine maximum, additional complaints, if forwarded by the Grievance Committee, will bypass the Citation Panel and go directly to a hearing.

The escalating fine schedule will be used for repeat citations within a 36-month period. The citation panel may only consider the past citations for the particular conduct alleged in the complaint.

The fact that a respondent has previously been issued a citation for any violation – whether or not it was paid – shall not be admissible in any ethics or arbitration hearing, including a hearing to consider a complaint where the respondent rejected a citation and requested a hearing. A hearing panel may consider citations previously issued to the respondent for the purpose of determining appropriate discipline as provided in Subsection IV below.

Citations will not be considered in any publication of violations should such rules be adopted by the Association.

Where a hearing panel finds a violation of the Code after a hearing, it may consider past citations in determining an appropriate sanction only if the citation was issued for the same violation at issue in the hearing. By way of example, if a citation was issued for failure to disclose a dual or variable rate commission under Standard of Practice 3-4, that citation could not be considered if a hearing panel later found a violation of Article 3 on some other grounds. Hearing panels will not be informed of past citations for other violations.

Association staff will track the number of citations issued, the number of citations paid, and the violations for which citations were issued. This information may be provided in the aggregate to the BOD, but will not include details about the complaints, nor identify the complainants or respondents.

Citation Schedule of Fines

	Applicable Article and Standard of Practice	Fine	Ethics Training in Addition to Fine
Article 3			
Failure to communicate a change in compensation for cooperative services prior to the time that REALTOR® submits an offer to purchase/lease the property	Article 3, supported by Standard of Practice 3-2	1 st violation - \$100 <i>[BOD Minutes 02/24/16]</i> 2 nd violation - \$700 3 rd violation - \$1,500	<u>2nd and 3rd violations only</u> : required to attend a live, Association-approved Code of Ethics course at expense of Respondent
As a listing broker, attempting to unilaterally modify the offered compensation with respect to a cooperative transaction after a REALTOR® has submitted an offer to purchase or lease that property	Article 3, supported by Standard of Practice 3-2	1 st violation - \$100 <i>[BOD Minutes 02/24/16]</i> 2 nd violation - \$700 3 rd violation - \$1,500	<u>2nd and 3rd violations only</u> : required to attend a live, Association-approved Code of Ethics course at expense of Respondent
Failing to disclose existence of dual or variable rate commission arrangements	Article 3, supported by Standard of Practice 3-4	1 st violation - \$100 <i>[BOD Minutes 02/24/16]</i> 2 nd violation - \$700 3 rd violation - \$1,500	<u>2nd and 3rd violations only</u> : required to attend a live, Association-approved Code of Ethics course at expense of Respondent
Failure to disclose to cooperating brokers differential that would result in dual or variable rate commission arrangement if sale/lease results through efforts of seller/landlord	Article 3, supported by Standard of Practice 3-4	1 st violation - \$100 <i>[BOD Minutes 02/24/16]</i> 2 nd violation - \$700 3 rd violation - \$1,500	<u>2nd and 3rd violations only</u> : required to attend a live, Association-approved Code of Ethics course at expense of Respondent
Failing to disclose existence of accepted offers, including offers with unresolved contingencies, to cooperating brokers	Article 3, supported by Standard of Practice 3-6	1 st violation - \$100 <i>[BOD Minutes 02/24/16]</i> 2 nd violation - \$700 3 rd violation - \$1,500	<u>2nd and 3rd violations only</u> : required to attend a live, Association-approved Code of Ethics course at expense of Respondent
Misrepresenting the availability of access to show or inspect a listed property	Article 3, supported by Standard of Practice 3-8	1 st violation - \$100 <i>[BOD Minutes 02/24/16]</i> 2 nd violation - \$700 3 rd violation - \$1,500	<u>2nd and 3rd violations only</u> : required to attend a live, Association-approved Code of Ethics course at expense of Respondent

Providing access to listed property on terms other than those established by the owner or the listing broker	Article 3, supported by Standard of Practice 3-9	1 st violation - \$100 [BOD Minutes 02/24/16] 2 nd violation - \$700 3 rd violation - \$1,500	<u>2nd and 3rd violations only</u> : required to attend a live, Association-approved Code of Ethics course at expense of Respondent
Article 4			
Failing to disclose REALTOR®'s ownership or other interest in writing to the purchaser or their representative	Article 4 (second sentence)	1 st violation - \$100 [BOD Minutes 02/24/16] 2 nd violation - \$700 3 rd violation - \$1,500	<u>2nd and 3rd violations only</u> : required to attend a live, Association-approved Code of Ethics course at expense of Respondent
Article 5			
Providing professional services without disclosing REALTOR®'s present interest in property	Article 5 (limited to present interest, not contemplated)	1 st violation - \$100 [BOD Minutes 02/24/16] 2 nd violation - \$700 3 rd violation - \$1,500	<u>2nd and 3rd violations only</u> : required to attend a live, Association-approved Code of Ethics course at expense of Respondent
Article 6			
Accepting any commission, rebate, or profit on expenditures without client's knowledge or consent	Article 6 (first paragraph)	1 st violation - \$100 [BOD Minutes 02/24/16] 2 nd violation - \$700 3 rd violation - \$1,500	<u>2nd and 3rd violations only</u> : required to attend a live, Association-approved Code of Ethics course at expense of Respondent
Failure to disclose to a client or customer REALTOR®'s financial benefits or fees received as a direct result of recommending real estate products or services	Article 6 (second paragraph)	1 st violation - \$100 [BOD Minutes 02/24/16] 2 nd violation - \$700 3 rd violation - \$1,500	<u>2nd and 3rd violations only</u> : required to attend a live, Association-approved Code of Ethics course at expense of Respondent
Failure to disclose REALTOR®'s direct interest in an organization or business entity when recommending to a client or customer that they use the services of that organization or business entity	Article 6, supported by Standard of Practice 6-1	1 st violation - \$100 [BOD Minutes 02/24/16] 2 nd violation - \$700 3 rd violation - \$1,500	<u>2nd and 3rd violations only</u> : required to attend a live, Association-approved Code of Ethics course at expense of Respondent
Article 12			
Failing to present a true picture in real estate communications and advertising	Article 12	1 st violation - \$100 [BOD Minutes 02/24/16]	<u>2nd and 3rd violations only</u> : required to attend a live, Association-

		2 nd violation - \$700 3 rd violation - \$1,500	approved Code of Ethics course at expense of Respondent
Failing to disclose status as real estate professional in advertising and other representations	Article 12	1 st violation - \$100 <i>[BOD Minutes 02/24/16]</i> 2 nd violation - \$700 3 rd violation - \$1,500	<u>2nd and 3rd violations only</u> : required to attend a live, Association-approved Code of Ethics course at expense of Respondent
Advertising property for sale/lease without authority of owner or listing broker	Article 12, supported by Standard of Practice 12-4	1 st violation - \$100 <i>[BOD Minutes 02/24/16]</i> 2 nd violation - \$700 3 rd violation - \$1,500	<u>2nd and 3rd violations only</u> : required to attend a live, Association-approved Code of Ethics course at expense of Respondent
Failing to disclose name of firm in advertisement for listed property	Article 12, supported by Standard of Practice 12-5	1 st violation - \$100 <i>[BOD Minutes 02/24/16]</i> 2 nd violation - \$700 3 rd violation - \$1,500	<u>2nd and 3rd violations only</u> : required to attend a live, Association-approved Code of Ethics course at expense of Respondent
Failing to disclose status as both owner/landlord and REALTOR® or licensee when advertising property in which REALTOR® has ownership interest	Article 12, supported by Standard of Practice 12-6	1 st violation - \$100 <i>[BOD Minutes 02/24/16]</i> 2 nd violation - \$700 3 rd violation - \$1,500	<u>2nd and 3rd violations only</u> : required to attend a live, Association-approved Code of Ethics course at expense of Respondent
Falsely claiming to have “sold” property	Article 12, supported by Standard of Practice 12-7	1 st violation - \$100 <i>[BOD Minutes 02/24/16]</i> 2 nd violation - \$700 3 rd violation - \$1,500	<u>2nd and 3rd violations only</u> : required to attend a live, Association-approved Code of Ethics course at expense of Respondent
Failure to take corrective action when it becomes apparent that information on a REALTOR®’s website is no longer current or accurate	Article 12, supported by second sentence of Standard of Practice 12-8	1 st violation - \$100 <i>[BOD Minutes 02/24/16]</i> 2 nd violation - \$700 3 rd violation - \$1,500	<u>2nd and 3rd violations only</u> : required to attend a live, Association-approved Code of Ethics course at expense of Respondent
Failure to disclose firm name and state of licensure on REALTOR® firm website	Article 12, supported by Standard of Practice 12-9	1 st violation - \$100 <i>[BOD Minutes 02/24/16]</i>	<u>2nd and 3rd violations only</u> : required to attend a live, Association-

		2 nd violation - \$700 3 rd violation - \$1,500	approved Code of Ethics course at expense of Respondent
Misleading consumers through deceptive framing, manipulating content, deceptively diverting internet traffic, or presenting other's content without attribution or permission	Article 12, supported by Standard of Practice 12-10	1 st violation - \$100 <i>[BOD Minutes 02/24/16]</i> 2 nd violation - \$700 3 rd violation - \$1,500	<u>2nd and 3rd violations only</u> : required to attend a live, Association-approved Code of Ethics course at expense of Respondent
Registering or using of deceptive URL or domain name	Article 12, supported by Standard of Practice 12-12	1 st violation - \$100 <i>[BOD Minutes 02/24/16]</i> 2 nd violation - \$700 3 rd violation - \$1,500	<u>2nd and 3rd violations only</u> : required to attend a live, Association-approved Code of Ethics course at expense of Respondent
Representing that the REALTOR® has a designation, certification, or other credential they are not entitled to use	Article 12, supported by Standard of Practice 12-13	1 st violation - \$100 <i>[BOD Minutes 02/24/16]</i> 2 nd violation - \$700 3 rd violation - \$1,500	<u>2nd and 3rd violations only</u> : required to attend a live, Association-approved Code of Ethics course at expense of Respondent
Article 16			
Placing for sale/lease sign on property without permission of seller/landlord	Article 16, supported by Standard of Practice 16-19	1 st violation - \$100 <i>[BOD Minutes 02/24/16]</i> 2 nd violation - \$700 3 rd violation - \$1,500	<u>2nd and 3rd violations only</u> : required to attend a live, Association-approved Code of Ethics course at expense of Respondent

NOTE: No additional citations may be added. Fines for each citable offense, as well as any possible training requirements, must be established in advance and should be followed consistently.

The escalating fine schedule for repeat citations may only be used in circumstances where citations are issued by the same association.

Aggregated fines levied against any Member may not exceed \$5,000 in any three (3) year period.

11.16 Staff as Witnesses. *[BOD Minutes 09/16/15]* Association staff members may not be called as witnesses by any parties to a Professional Standards matter except where specifically authorized by the President or the President's designee.

PART 12: TRAVEL AND EXPENSE REIMBURSEMENT

(THIS POLICY WAS APPROVED BY BOD 10/27/21)

12.1 General Policy. General policy will apply to all officers and staff of the Association who seek reimbursement for travel and other expenses incurred on behalf of the Association; no expenses will be covered for any travel companions. The Omnibus Budget Reconciliation Act of 1993 contained specific provisions to regulate the payment of travel expenses to Association officers and Directors to avoid abuse of the system. A travel and expense reimbursement policy is required and must be adhered to and certain limitations are provided in connection with per diem allowances and spouse travel.

The IRS allows reimbursement for travel expenses that are ordinary, necessary and directly related to the purpose of the Association. Remember that at some time you may be asked by the membership to justify your travel and expense reimbursement costs.

12.2 Expense Reimbursement Forms. All travel and expense reimbursement requests must be in the format provided by the Association, with detailed receipts attached. *[BOD minutes 04/18/18]* Forms are to be completed and turned in to the CEO or CFO within seven (7) *[BOD minutes 10/27/21, 01/30/19]* days of the actual event. Staff members are to turn in completed expense forms within five (5) days *[BOD minutes 10/27/21]* of the event. Failure to comply with this policy will mean that authorization of payment will be deferred to the Finance & Budget Committee and that the amount of the reimbursement will be treated as income with the recipient to receive a 1099 form at year-end.

12.3 Association Credit Cards. Officers and staff are required to include with all credit card receipts details of the item/goods purchased, the purpose, and the names of all persons present when meals or hospitality are involved. A separate schedule may be attached if necessary. All credit card receipts are to be turned in within seven (7) *[BOD minutes 10/27/21, 01/30/19]* days of the actual transaction; and if they are included as an expense for a NAR or MR meeting, they are also to be shown on the expense reimbursement form and indicated to show that the amount has already been paid. On no account may Association credit cards be used for personal charges. Credit cards will be issued to the President, President-Elect, CEO, and other staff members as deemed necessary by the CEO.

12.4 Authorization of Travel/Expense Claims. The CEO and CFO will be responsible for authorizing payment of all claims for expense reimbursement from officers and staff of the Association. All reimbursement payments will be reviewed by the Finance & Budget Committee on a monthly basis through its review of the financial statements, general ledger, expense reimbursement forms and all related financial documents.

Supporting documentation and/or receipts are required for all expenses, except for small changes expenses such as tips and gratuities.

12.5 Form of Travel. Officers and staff of the Association are required to use the most cost effective, but reasonable form of travel. This means that, when traveling by air, reservations must be made as far in advance as is reasonable, for coach class travel or better and to take advantage of any discounts that might be offered. Travel by air within the state requires the approval of the CEO and must be evaluated against the cost of traveling by car. In the same way, the cost of travel by car should not exceed the cost of travel by air when attending State or National meetings. All travel for officers or Association staff will be booked by Association staff. *[BOD minutes 04/18/18]*

12.6 Travel by Car and Mileage Reimbursement. Officers and staff of the Association shall be reimbursed for use of their private automobile at current GSA rates. Prior to reimbursement, officers and staff must show that

they are adequately insured to protect the Association from liability.

12.7 Per Diem Rate. The per diem rate will be established annually by the BOD to cover the costs of meals and refreshments while attending MR and NAR meetings. Tips are to be included. The per diem rate shall be a cumulative amount based on the days budgeted for the travel, and not calculated daily. *[BOD minutes 04/18/18]* Hotel accommodation, air travel, Wi-Fi service (in-flight and hotel), taxi fares, mileage, parking, tolls and related tips are to be budgeted separately. Movies are not reimbursable. Guest expenses must also be shown separately and supported by details showing the names of those present. The per diem rate will be established in the Association's annual operating budget.

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

12.9 Accommodations. The Association will reimburse approved officers and staff at NAR or State published meeting or convention rates, plus applicable taxes. All accommodations for Association officers and staff will be booked by Association staff. *[BOD minutes 04/18/18]*

12.10 Non-Reimbursable Items. These items are generally excluded unless authorized by the Finance Committee: *[BOD minutes 04/18/18]*

- Personal entertainment (i.e., movies, airline headphones, etc.)
- Purchase of books and magazines
- Barber, hair stylist or beautician fees
- Baby-sitting
- Kennel
- Laundry and dry cleaning
- Mini-bars and in-room safes
- Personal care items (i.e., toothpaste, shaving cream, deodorant, etc.) *[BOD minutes 04/18/18]*

12.11 President and President-Elect. The Association shall reimburse the President and President-Elect in accordance with General Policy and the line item approved in the budget for the year in question.

The annual budget will provide specific allocations for the following:

- NAR meetings
- MR meetings
- Regional travel to Association-related events and activities
- Hospitality, guest entertainment and hosting
- Miscellaneous expenses

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

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

12.11.3 Hosting. The Association will reimburse the actual costs incurred in those situations where it is deemed appropriate for the President or President-Elect to "pick up the check" for several individuals at

a meal. When this occurs, the IRS requires a receipt for the expenditure and explanation of the purpose, plus a list of the individuals concerned, their titles, and the location of the event.

The Association budgets limited amounts each year for public relations/hosting to assist the officers of the Association in supporting our membership and the goals and objectives of the Association. These funds should only be used in consultation, when possible, with the President, President-Elect and CEO. In addition to providing a detailed receipt complete with the reason for hosting, the officer authorizing the charge should be prepared to explain the costs and his/her reasoning to the Finance Committee if requested. *[BOD minutes 04/18/18]*

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

12.12 CEO. The Association shall reimburse the CEO in accordance with General Policy and the line item approved in the budget for the year in question.

The annual budget will provide specific allocations for the following:

- NAR meetings
- MR meetings
- Regional travel to Association-related events and activities
- American Society of Association Executives (ASAE) meetings
- National, State and regional association executives conferences
- Travel related to his/her Association jobs and responsibilities
- Hosting
- Miscellaneous expenses

The CEO will receive a credit card and is responsible for properly accounting for all charges made. Expense report forms and copies of all credit card receipts are to be turned in within five (5) days *[BOD minutes 10/27/21]* and in accordance with General Policy.

12.12.1 Banquet and Special Expenses. The CEO may be reimbursed for costs in excess of the approved per diem rate when required to purchase banquet or function tickets at NAR and MR meetings, provided they do not exceed the respective line items approved in the budget.

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

The Association budgets limited amounts each year for public relations/hosting to assist the officers of the Association in supporting our membership and the goals and objectives of the Association. These funds should only be used in consultation, when possible, with the President, President-Elect, and CEO. In addition to providing a detailed receipt complete with the reason for hosting, the officer authorizing the charge should be prepared to explain the costs and his/her reasoning to the Finance Committee if requested. *[BOD minutes 04/18/18]*

12.12.3 Miscellaneous Expenses. The CEO may be reimbursed for miscellaneous expenses such as attending political fundraisers, functions of associated industries, and other expenses which are considered both reasonable and prudent.

12.13 Management Team (Staff). The Association shall reimburse Association staff in accordance with General Policy and the line item approved in the budget for the year in question.

The annual budget will provide specific allocations for the following:

- NAR meetings
- MR meetings
- National, State and regional association executives conference
- National, State and regional professional standards meeting and conferences
- Regional travel to Association-related events and activities
- Travel related to their Association jobs and responsibilities
- Miscellaneous expenses

Expense report forms and copies of all credit card receipts are to be turned in within five (5) [BOD minutes 10/27/21] days, and in accordance with General Policy.

12.13.1 Miscellaneous Expenses. Staff may be reimbursed for miscellaneous expenses such as attending political fundraisers, functions of associated or affiliated industries, and other expenses that are considered both reasonable and prudent.

12.14 MR Directors. The Association shall pay a per meeting reimbursement to Association members selected by the BOD to represent the Association as Directors of MR. In addition, Members of the Association serving as MR Directors via virtue of their appointed or elected positions with the State Association will also receive the reimbursement. To qualify for the reimbursement, the Member must attend, in person, at least one Output Group or Mission Committee meeting, the District Briefing, and vote at [BOD minutes 10/27/21] the BOD meeting. To obtain reimbursement, the Member must submit a reimbursement form detailing the meetings that were attended within fourteen (14) [BOD minutes 01/30/19] days of the Missouri BOD meeting. Reimbursement will be subject to funds allocation in the Association's annual budget. Members who are eligible for complete expense reimbursement from the Association or other organizations by virtue of the elected or appointed positions they hold will not be eligible for reimbursement.

PART 13: RESERVE AND INVESTMENT POLICY.

(THIS POLICY WAS APPROVED BY BOD 10/27/21)

The Reserve and Investment Policy is approved by the BOD and is to be revised as needed upon recommendations of the Finance & Budget Committee. Such reserve policy will take into account the annual budget, value of all operational and restricted accounts, as well as the value of tangible assets such as buildings and land.

13.1 Reserve Policy. The policy of the St. Charles REALTORS® (Association) is to maintain sufficient funds in reserve accounts to allow the BOD and staff to manage the finances of the Association prudently and with the flexibility necessary to accommodate unpredicted changes in income levels.

It is the intention of the Association to fund reserve accounts up to their cap maximum, though such funding may take place over more than one year. Once a reserve account has reached its cap, funding will cease. All interest earned is treated as income.

The Association has recognized the need to establish certain reserve accounts, each with minimum and/or maximum levels of funding. Reserve accounts are as follows:

13.2 General Dedicated Fund Account (General Operating Reserves). To be maintained at 50 percent of operating expenses (total expenses less capital expenditures and depreciation). Only to be used in emergencies to fund operations until the budget can be brought into balance. The utilization of these funds is subject to approval of the BOD.

13.3 Building Fund. Funded with up to 10 percent of line item 4140-Dues (not total gross revenue) to be used for building upgrades and renovations.

The nature of the Capital Equipment Fund and the Capital Sinking Fund is such that they should be available at short notice if needed. In January each year, the Finance Committee will evaluate the reserve accounts and make recommendations to the BOD for funding those accounts, if needed, based on prior year-end balances.

13.4 Capital Equipment Fund (Cap \$50,000). Funded to cover new and/or replacement of capital equipment items such as computers, copiers, printers, and related technology. Total fund balance should not exceed 10 percent of total expense budget.

*Note: Maintaining the General Dedicated Reserve Fund and the Capital Equipment Reserve Fund shall be a priority of the Association and given first consideration in the distribution of any Association surplus at year end as recommended by the Finance & Budget Committee.

13.5 Capital Sinking Fund: (Cap \$50,000). Funded to cover major maintenance of Association property and equipment, such as HVAC, roof, parking lot and grounds. Total fund balance not to exceed \$50,000.

13.6 Restricted Funds. Restricted funds are those funds which have been set aside for specific purposes, as outlined in this Reserve and Investment Policy, and which cannot be used to supplement the operating expenses of the Association.

13.7 Operating Accounts. Operating accounts are those accounts used as general operating accounts for the day-to-day expenses of the Association. Fund balances are to be maintained at levels sufficient for the month-to-month operations of the organizations, with surplus funds, at year-end, to be reviewed by the Finance & Budget Committee.

13.7.1 Operating Account. The general operating bank account is used for the day-to-day expenses of the Association. Balances are maintained in the credit card account and the money market account to earn short-term interest, pending transfer to the Association's operating bank account, as needed, using funds from the credit card account first.

13.8 Investment Policy. The investment policy of the Association is administered by the Finance & Budget Committee with the approval of the BOD.

The CEO, CFO, and Treasurer have authority for day-to-day investment decisions, based on the following specific guidelines:

Funds shall only be invested in certificates of deposit (CDs) of \$99,000 or less (Federally insured), Commercial Paper, Highest Grade Single Issue Commercial Paper, and "A" rated, or better, Corporate Bonds with maturities

no longer than 18 months and US Government Bonds.

**ST. CHARLES REALTORS®
Code of Conduct**

Introduction

Members of the Board of Directors (BOD) and staff carry certain duties and responsibilities for the wellbeing of the Association. The Code of Conduct outlines some of those duties and responsibilities in accordance with the Bylaws and policies of the Association.

Confidentiality

Board members and staff will have access to information, that if revealed to outsiders, could be damaging or sensitive to other Members or staff, harmful to the best interests of the organization, or even create legal liability. Information provided to the Board and staff may concern personnel, financial, contractual, membership or legal matters. It will often be confidential and is intended for use in decision making and governance. Information shall be held in the strictest of confidence and shall not be divulged to any outside party, including other members, without authorization of the Association President or CEO.

Conflicts of Interest

Board members and staff members owe a high fiduciary duty to the organization. Thus, no Board or staff member shall maintain any business enterprise or other activity that directly conflicts with the interests of the organization.

Violations

Violations of the Code of Conduct may result in disciplinary action in accordance with the governing documents. Discipline may include removal of a Board member from office or termination of a staff member.

Acknowledgement of Receipt

I acknowledge that I have received and read a copy of the Code of Conduct and that I am responsible for compliance.

Signature

Date