



# **POLICY MANUAL**

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**Nevada County Association of REALTORS®**  
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# SECTION 1: ORGANIZATION

## 101. HISTORY OF THE NEVADA COUNTY ASSOCIATION OF REALTORS®

The organization was originally formed to act as a collective body in support of our industry as a profession to secure more uniformity in the sales, rentals and management of real estate within Western Nevada County and adjoining areas in CA and to better protect and promote real property rights.

In 1935, the organization was chartered by the California Real Estate Association, known today as the California Association of REALTORS® (CAR). After residing at several locations in Grass Valley, the Nevada County Association of REALTORS® (NCAOR) built a permanent home at our current offices located at 336 Crown Point Circle, Grass Valley, CA.

Today, NCAOR services approximately 513 members and 609 MLS users in Western Nevada County. The Association is a modified not-for-profit trade association serving real estate professionals and the local Nevada County community.

The Purpose of the Nevada County Association of REALTORS® is to assist its membership through the provision of programs and services that serve to enhance members' ability to conduct their individual business successfully and with integrity and competence. Through collective action, the Association promotes the preservation of real property rights. The Association provides a conduit through which the programs, services and benefits of the National Association of REALTORS® and the California Association of REALTORS are channeled to members, to promote the relationship with N.A.R. and C.A.R; to encourage and maintain membership and; to maintain fiscal soundness and integrity.

## 102. ORGANIZATION

The Nevada County Association of REALTORS® is a private trade organization whose primary members are licensed real estate professionals. As a member of "NCAOR", each REALTOR® also belongs to the California Association of REALTORS® and the National Association of REALTORS®. There are approximately 515 NCAOR members, 185,000 CAR members and 1,187,786. NAR members (*Data as of 6.16.16*).

Membership in NCAOR is voluntary and is open to active real estate licensees in the state of California. In addition, approximately 93 Affiliates, which offer services to real estate practitioners, are members of NCAOR. These members may take advantage of many of the programs and services offered to our organization membership.

All REALTORS® subscribe to and uphold a strict Code of Ethics that governs their business behavior in all real estate transactions.

The term "REALTOR®" is a licensed collective trademark which may be used only by members of the National Association of REALTORS® and its local associations.

## 103. SERVICES

A variety of services are provided to members under a 3-tiered organization (NCAOR, CAR, NAR) including the following:

- Education programs and professional designations
- Information services, including websites, publications and research programs
- Legislative and political advocacy
- Legal assistance and insurance programs
- Multiple listing services
- Risk management programs
- Service and product discount programs

Membership meetings, marketing sessions and special events  
Real estate trade tools and accessories – real estate store

#### **104. GOVERNANCE**

NCAOR is governed by an elected Board of Directors, composed of REALTORS®. Programs are managed by committees, comprised of REALTOR® and affiliate members.

#### **105. CORPORATE STRUCTURE**

The Nevada County Association of REALTORS® is a CA Mutual benefit not-for-profit corporation, a corporation solely owned to serve the needs of its membership.

#### **106. STRATEGIC PLAN (Updated 9.28.17 BOD)**

##### Vision:

To be the voice and resource for the local real estate community.

##### Mission:

The purpose of the Nevada County Association of REALTORS® is to provide resources, education, real property rights advocacy and community outreach, thereby promoting professionalism and positioning our members for success.

##### Guiding Principles:

1. Protect private property ownership and its associated rights.
2. Govern and make decisions openly, inclusively and transparently.
3. Commit to the highest standards of professional practice.
4. Manage association resources effectively and efficiently.
5. Strive to be effective and influential in the communities we serve.

##### Performance Measures:

1. #s responding or in attendance
2. Member stakeholder satisfaction
3. Profitability
4. Effective external partnerships and coalitions
5. Positively influence public policy
6. Recognition at the local, regional, state and national levels
7. Governing documents and policy guidance.

##### Strategic Goals:

###### Goal One: Higher Level of Communication & Engagement

- Conduct quarterly broker roundtables.
- Provide communication to Brokers and representative to use at their office meetings
- Survey Members periodically to address specific needs and issues
- Maintain links on the association and MLS websites.
- Establish a Retention and Recruitment Committee to promote committee involvement.
- Host one (1) chamber mixer a year
- Launch new consumer facing website
- Establish a courier service to offices
- Create policies to help market and promote the association and its members

###### Goal Two: Education

- Use C.A.R. and N.A.R. resources
- Utilize shared services with neighboring associations
- Offer affordable meaningful education

- Survey members on timely topics needs
- Leadership Orientation
- Continue Lunch & Learn and Brunch & Learn Seminars

Goal Three: Advocacy

- Maintain a strong Legislative Affairs Committee
- Research more extensive sharing of a Government Affairs Director
- Educate LCRC Trustees
- Encourage NAR's Broker Involvement Program
- Promote "Calls for Action"
- Promote RPAC and the REALTOR® Party in Dues Statement.
- Inform Members of upcoming C.A.R. or NAR issues
- Engage members in participating in the C.A.R. Legislative Day
- Send leadership and management to the N.A.R. meetings D.C.

Goal Four: Maintain a Relevant MLS

- Education and Tools (RPR, HomesConnect, Webinars etc....)
- Mobile responsive MLS – for both agents and consumers
- Training on new products
- Statistical Data that is easy to pull – market shots
- Foster Reciprocal Agreements
- Pilot Testing

Goal Five: Education/Promotion of Ethics

- Upload data in Ethics Check system
- Provide training session for Professional Standards panelists
- Maintain current professional standards forms, manual and process
- Provide timely information on industry issues
- Maintain Code of Ethics training for all members to meet two-year requirement.
- Promote REALTOR® brand and commitment to Code of Ethics

Goal Six: Financial Stability

- Conduct financial outside audit every three (3) years
- Follow Policies and Procedures
- Review REALTOR® Dues and service fees annually
- Membership recruitment and retention
- Create Marketing Strategy for rental space
- Implement revenue generating programs and events
- Facility task force to review building facility and features that can generate \$

An annual budget will be developed that supports the successful accomplishment of the strategic plan.

## **SECTION 2: ASSOCIATION GOVERNANCE POLICIES**

### **201. RULES OF THE NEVADA COUNTY ASSOCIATION OF REALTORS®**

NCAOR Bylaws are adopted and are amended by the Board of Directors and ratified by the membership as required. NCAOR recognizes, in its bylaws, the latest edition of Robert's Rules of Order as the authority governing all meetings of NCAOR.

In addition, the NCAOR Board of Directors, in regular or special meetings, may adopt special rules governing their meetings as found necessary to supplement or modify rules provided in Robert's Rules of Order. Special rules supersede any rules in the parliamentary authority with which they may conflict.

Standing rules may also be adopted at any regular or special meeting prescribed above and are rules, which relate to the details of the administration of NCAOR.

Finally, NCAOR is subject to all provisions of local, state and national law and regulation applying to professional, trade, and corporate status as a modified not-for-profit Corporation.

Additional national association organizational documents of particular significance to NCAOR include the following membership related statements: Code of Ethics (as amended), the Three-Way Agreement and the Membership Criteria (6 and 8 points).

The following documents pertaining to the rules of NCAOR are made a part of this manual or are located at the NCAOR office for review.

#### National Association of REALTORS®

- Constitution and Bylaws of the National Association of REALTORS®
- Code of Ethics of the National Association of REALTORS®
- Charter issued by the National Association of REALTORS®
- Three-Way Agreement among the national, state and member associations.
- Membership Criteria of the National Assn. of REALTORS®
- Not-for Profit status granted by the US Treasury Dept., Internal Rev. Service State of CA.
- Articles of Incorporation granted by the California Secretary of State, for the Association of REALTORS®, and its various NFP and Business corporations
- MLS Rules and Regulations, Policies and Procedures

## 202. DEFINITIONS

The following shall serve as definitions for NCAOR concerning the terms used in this policy manual and by NCAOR generally:

1. **Articles and Bylaws** are rules governing the operation of the Association adopted by membership at large (with the advice and/or recommendations of the Board of Directors).
2. **Rules of Order and Standing Rules** are rules governing the operation of the Association adopted by the Board of Directors (with the advice and/or recommendation of staff).
3. **Positions** are descriptive narratives, sometimes including recommendations outlining the concerns and/or views of the Association members on current issues adopted by the Board of Directors in session (with the advice and/or recommendation of the staff).
4. **Programs** are activities relating to the Association adopted by the Board of Directors (with the advice and/or recommendation of staff).
5. **Policies** are general or fundamental principles relating to Association involvement adopted by the members of the Board of Directors (with the advice and/or recommendation of staff).
6. **Procedures** are the detailed explanations, directions or actions to implement adopted articles, bylaws, rules, positions, programs and policies selected and applied by staff with the advice and/or recommendation of the President. They address specific directions telling how, by whom and when things are to be done.

### **203. DEFINITION, ROLE AND COMPOSITION OF THE BOARD OF DIRECTORS**

The Bylaws of the Nevada County Association of REALTORS® define the Board of Directors as the governing body of the Association. It is the Association's most important committee.

A basic rule is that the legal entity, rather than the Board of Directors, is the holder of legal power. The powers of the Directors are not inherent in them, but in the organization of such. The principle exists that Directors exercise the powers of the organization, but do not own it. Thus, the Board of Directors has the power and duty to carry on whatever transactions the corporation or the association itself has the power to carry on. The power of the Board of Directors is superior in ordinary matters, so long as it is exercised lawfully and in lawful transactions.

In extraordinary matters, the Board of Directors may not govern, and the will of the general membership must rule. In such matters as a radical change of fundamental policy or purpose, amendments to the Articles of Incorporation, dissolution or merger of the corporation or matters of like importance, the power of decision usually rests with the voting members.

Within the purpose and power of the Association, the Directors are free to change the Bylaws (subject to approval, amendment or repeal by the membership at the next annual meeting or by ballot. Note: NAR mandated bylaws amendments do not require membership ratification), policies and short-range purposes, but unless the Bylaws expressly permit, they may not do acts that account to changes in the fundamental purposes or operational methods of the Association.

Members of the Board of Directors shall always have the utmost interests of the Nevada County Association of REALTORS® in mind . They shall avoid any contact that may serve their personal interests and should never assume any position that brings their personal interests into conflict or competition with the interests of the Association.

The Board of Directors serves several critical functions: 1) Setting policies and strategic direction, 2) allocating resources effectively and efficiently and 3) evaluating the progress being made to ensure that the policies are adhered to and that the desired outcomes are being achieved.

The Board of Directors further endeavors to:

- Communicate with members of the Association, with the constant aims of fiduciary responsibility, effective understanding of members' business requirements, and the enhancement of the benefits derived from membership
- Define, communicate, monitor, and refine NCAOR's values, policies and strategies
- Define, as goals, the essential deliverable products and services
- Delegate to Association Executive the responsibility and resources to achieve the stated ends, within the limitations of what the Board of Directors defines as acceptable practices
- Operate within the limits defined by relevant statutes and NCAOR's Bylaws
- Plan for its own succession
- Demonstrate leadership by embracing the spirit of volunteerism
- Promote the real estate industry and REALTOR® organization

Finally, the Officers, and on occasion, the Directors may be asked to serve as official spokespersons for the entire industry or profession. As such, every member can embarrass or enhance the reputation of the group and therefore has an important responsibility to the Association and should not speak on behalf of the association without permission to do so.

The Board of Directors is composed of the following members:

- 4 Officer Directors: The President (succeeds automatically to office), President-Elect, the Secretary and the Treasurer (elected by the membership); 3 if the Secretary and Treasurer are assumed by one individual



- 1 Immediate Past President (succeeds automatically to a director position)
- 10 Directors (elected by the membership)
- Association Executive (non-voting member)

**NOTE:** Refer to the NCAOR Bylaws for detailed information related to Officers, Directors and their terms and elections.

**Primary Staff Support:** Association Executive and assigned staff

**204. STANDING RULES OF THE BOARD OF DIRECTORS**

1. The composition and the authority of the Board of Directors shall be as specified in the Bylaws
2. Meetings of the Board of Directors shall be at designated times and places, as specified in the Bylaws and set by the Directors. Three unexcused absences shall be deemed as resignation by the absent director.
3. Meetings of the Board of Directors shall be chaired by the President and conducted in accordance with the Bylaws and intent of the standing rules of the Board of Directors.
  - a) Special meetings may be called with a twenty-four (24) hour notice.
4. Agendas are prepared by the Association Executive and the President. Agenda items should be submitted in writing to the Association Executive, seven (7) days prior to the meeting.
5. Only the officers and directors of the Board of Directors may vote on issues at their meetings. Visitors may participate in discussion on issues during public comments when recognized by the President.
6. Only Board members and the Association Executive may attend Executive sessions, unless the President or a majority of the Board present and voting grants an exception.
7. Minutes shall be required for all meetings of the Board of Directors.
8. Policies may be adopted, revised, deleted or suspended during any Board of Directors meeting without advanced notice.
9. Adopted policies shall not be in conflict with the Bylaws and shall be included in the Policy Manual with date stamp of BOD approval.
10. Elections for Officers and Directors shall be as specified in the Bylaws and delineated in the Election Procedures Manual.

**205. STANDING RULES FOR REGULAR AND SPECIAL MEMBERSHIP MEETINGS**

1. Meetings shall be conducted in accordance with the Bylaws.
2. Meeting agendas shall be prepared by the President and the Association Executive.
3. Notice of special meetings of the membership shall be advertised in all appropriate communications methods, preceding the meeting.
4. The annual Membership Meeting(s) shall be held each year and the date(s), time(s) and place(s) to be specified by the Directors.

**206. RESPONSIBILITY AND DUTIES OF THE PRESIDENT**

**Term:**

The President-Elect shall ascend to the office of President immediately and automatically upon completion of a term as President-Elect, and serves for a 1 Year term (or until a respective successor is duly elected and qualified)

**Description and Responsibilities:**

The President serves as the Chief Volunteer Officer of the Association and Chairperson of the Board of Directors and shall have the duty to:

1. Preside at all meetings of the Board of Directors, Executive Committee and general membership and have general supervision of the affairs of the Association.
2. Prepare for, attend, and actively participate in meetings of the Board of Directors and Executive Committee.
3. Provide leadership to the Board of Directors, who sets policy and to whom the Association Executive is accountable.
4. Establish overall long and short-term organizational goals, objectives, and priorities in conjunction with the Board of Directors and Association Executive.
5. Monitor association policies
6. Help guide and mediate Board actions with respect to organizational priorities and governance concerns
7. Discuss issues confronting NCAOR with the Association Executive
8. Enhance relationships with other community groups and agencies
9. Monitor financial planning and performance (along with Treasurer and Finance Chair)
10. Serve as NCAOR's chief spokesperson
11. Appoint the Chairpersons of committees except for the MLS Committee who may, at the discretion of the President be appointed by the MLS committee at their first meeting of the New Year.
12. Help place members on committees in conjunction with Association Executive and staff.
13. Assign duties to officers, committees, and task forces of NCAOR to the extent they are consistent with governing laws
14. Sign all contracts and other documents duly authorized to be signed on behalf of NCAOR and required to be signed by the President
15. Serve as an ex-officio non-voting member on all NCAOR committees except for the Professional Standards Committee.
16. Represent NCAOR as its President in all matters and on all occasions except those expressly limited by the Board of Directors
17. Represent NCAOR at the California Association of REALTORS® and the National Association of REALTORS® meetings and events and in associated communications.
18. Oversee annually the performance evaluation of NCAOR Association Executive in achieving the Association's mission and goals
19. Perform all other duties prescribed by the Bylaws, applicable law, or the Board of Directors
20. Adhere to general duties as outlined in the Director description

**Additional Responsibilities:**

1. Chairperson, Executive Committee
2. Member, Nominating Committee
3. Immediate Past President Director upon completion of President's Term
4. Director, California Association of REALTORS® (customary, yet not required)
5. Delegate, National Association of REALTORS® (customary, yet not required)

**Qualifications**

1. Must be a local association REALTOR® member in good standing for a minimum of two years.
2. Must have served a minimum of twenty-four months' involvement on any committee. The 24-month requirement may be modified or waived at the discretion of the Board of Directors.
3. Elected by the NCAOR membership

4. Must be actively engaged in the real estate industry and hold an active real estate license from the state of California.

Note: Encouraged to participate as a contributor to RPAC.

## **207. RESPONSIBILITY AND DUTIES OF THE PRESIDENT-ELECT**

### **Term:**

The President-Elect is elected to serve for a 1 Year term (or until a respective successor is duly elected and qualified)

### **Description and Responsibilities:**

The President-elect shall have and be assigned such powers as prescribed by the Board of Directors and shall assume responsibility for the office of President upon the temporary or permanent inability of that person to continue service, as determined by the Board of Directors. The President-Elect of the Board of Directors shall have the duty to:

1. Prepare for, attend, and actively participate in all meetings of the Board of Directors and Executive Committee and assist President in planning as requested.
2. In conjunction with the Board of Directors and Association Executive, help establish overall long and short-term organizational goals, objectives, and priorities
3. In the absence or inability of the President to act, the President-Elect shall perform all the duties of the President and in the event of a vacancy in the office of President, the President-Elect shall assume that office.
4. Represent NCAOR at the California Association of REALTORS® and the National Association of REALTORS® meeting as designated by the President and Board of Directors
5. Perform all other duties prescribed by the Bylaws, applicable law, or the Board of Directors
6. Adhere to general duties outlined in the Director description

### **Additional Responsibilities:**

1. Member, Executive Committee
2. Member, Nominating Committee
3. Director, California Association of REALTORS® (may serve, yet not required)
4. NCAOR Representative at third Quarter CAR meetings (when not serving as a CAR Director)

### **Qualifications**

1. Must be a local association REALTOR® member in good standing for a minimum of two years.
2. Must have served a minimum of twenty-four months' involvement on any committees. The 24-month requirement may be modified or waived if the nominee has an active California Brokers license and/or at the discretion of the Board of Directors.
3. Elected by the NCAOR membership
4. Must be actively engaged in the real estate industry and hold an active real estate license from the State of California.

Note: Encouraged to participate as a contributor to RPAC.

## **208. RESPONSIBILITY AND DUTIES OF THE SECRETARY**

### **Term:**

The Secretary is elected by the Membership to serve for a 1 Year term (or until a respective successor is duly elected and qualified). The Secretary and Treasurer positions can be held by the same person.

### **Description and Responsibilities:**

The Secretary and/or Association Executive shall have and be assigned such powers as prescribed by the Board of Directors. The Secretary of the Board of Directors shall have the duty to:

1. Prepare for, attend, and actively participate in all meetings of the Board of Directors and Executive Committee
2. Help establish overall long and short-term organizational goals, objectives, and priorities in conjunction with the Board of Directors and Association Executive
3. Coordinate with the Association Executive to ensure that records are kept of the proceedings of the organization and of the Board of Directors, in such a recording for that purpose and shall oversee the correspondence with the National Association and California Association.
4. Oversee and advise the Board of Directors regarding NCAOR policy revisions and insertion in the NCAOR Policy Manual
5. Read, understand, and interpret the NCAOR governing documents for Board of Directors.
6. Oversee the maintenance, with the assistance of the Association Executive, the recorded Minutes at NCAOR offices.
7. Represent NCAOR at the California Association of REALTORS® and the National Association of REALTORS® meetings as requested.
8. Perform all other duties prescribed by the Bylaws, applicable law, or the Board of Directors
9. Adhere to general duties outlined in the Director description.

**Additional Responsibilities:**

1. Member, Executive Committee
2. Director, California Association of REALTORS® (may serve, but not required)<sup>3</sup>

**Qualifications**

1. Must be a local association REALTOR® member in good standing.
2. Must have served a minimum of twenty-four months' involvement on any committees. The 24-month requirement may be modified or waived if the nominee has an active California Brokers license and/or at the discretion of the Board of Directors.
3. Elected by the NCAOR Membership
4. Must be actively engaged in the real estate industry and hold an active real estate license from the state of California.

Note: Encouraged to participate as a contributor to RPAC.

**209. RESPONSIBILITY AND DUTIES OF THE TREASURER**

**Term:**

The Treasurer is elected by the Membership to serve for a 1 Year term (or until a respective successor is duly elected and qualified). The Secretary and Treasurer positions can be held by the same person.

**Description and Responsibilities:**

The Treasurer shall have and be assigned such powers as prescribed by the Board of Directors. The Treasurer of the Board of Directors shall have the duty to:

1. Prepare for, attend, and actively participate in all meetings of the Board of Directors and Executive Committee
2. Help establish overall long and short-term organizational goals, objectives, and priorities in conjunction with the Board of Directors and Association Executive
3. Have the power to deposit all checks payable to the account of the Association and serve as a signor on outgoing checks.
4. Coordinate with the Association Executive and Finance Chair, the preparation of quarterly financials and the Annual Budget for presentation to the Board of Directors
5. Oversee that the Board of Directors are provided reports regarding NCAOR's financial statements and accounting records, the receipt, deposit, and disbursement of NCAOR funds, and NCAOR's accounting, investment, and control systems, policies, and procedures
5. Read, understand, and interpret financial statements for Board of Directors
6. Ensure that audited financial statements are presented to the Board of Directors on a quarterly basis.

7. Ensure the maintenance of all of the financial records at NCAOR office
8. Ensure the preparation and maintenance of monthly statements of receipts and disbursements
9. Represent NCAOR at the California Association of REALTORS® and the National Association of REALTORS® as requested.
10. Perform all other duties prescribed by the Bylaws, applicable law, or the Board of Directors
11. Adhere to general duties outlined in the Director description

**Additional Responsibilities:**

1. Member, Executive Committee
2. Chair, Finance Committee (Recommended, but not required)
3. Member, Finance Committee
4. Director, California Association of REALTORS® (may serve, but not required)

**Qualifications**

1. Must be a local association REALTOR® member in good standing for a minimum of two years.
2. Must have served a minimum of twenty-four months' involvement on any committees. The 24-month requirement may be modified or waived if the nominee has an active California Brokers license and/or at the discretion of the Board of Directors.
3. Elected by the Board of Directors
4. Must be actively engaged in the real estate industry and hold an active real estate license from the State of California.

Note: Encouraged to participate as a contributor to RPAC.

**210. RESPONSIBILITY AND DUTIES OF THE IMMEDIATE PAST PRESIDENT**

**Term:**

The Immediate Past President (Ex-Officio) serves an automatic 1-year term as a Director immediately following his/her term as President

**Description and Responsibilities:**

The President shall, immediately and automatically upon expiration of the President's term, be referred to as the Immediate Past President and shall automatically be a director for the immediately succeeding year. The Immediate Past President of the Board of Directors shall have the duty to:

1. Prepare for, attend, and actively participate in all meetings of the Board of Directors and Executive Committee
2. Perform all other duties prescribed by the Bylaws, applicable law, or the Board of Directors
3. Adhere to general duties outlined in the Director description

**Additional Responsibilities:**

1. Member, Executive Committee

**Qualifications**

1. Must be a local association REALTOR® member in good standing.
2. Have served as President the preceding year.
3. Must be actively engaged in the real estate industry and hold an active real estate license from the State of California.

Note: Encouraged to participate as a contributor to RPAC.

**211. RESPONSIBILITY AND DUTIES OF THE DIRECTORS**

**Term:**

The 10 Directors have one vote and are elected for staggered three-year terms upon recommendation by the Nominating Committee.

**Description and Responsibilities:**

The Directors shall have and be assigned such powers as prescribed by the Bylaws. The Board of Directors shall have the duty to:

1. Prepare for, attend, and actively participate in all meetings of the NCAOR Board of Directors.
2. Approve and monitor fiscal and operational policies and other recommendations received from the Board of Directors, Executive Committee, Standing and Special Ad Hoc Committees and staff.
3. Promote the value of the REALTOR® organization, including, but not limited to: legislative advocacy, educational opportunities, professional standards and community relations
4. Ensure strong financial management.
5. Participate in and contribute to setting NCAOR's annual goals and objectives.
6. Approve the annual budget and associated business plans.
7. Act as a liaison to both the NCAOR membership and the greater community.
8. Volunteer and accept assignments as prescribed by the President and the Board of Directors, and complete them in thorough, timely manner.
9. Network with other Directors and build a collegial working relationship that contributes to the advancement of NCAOR's mission, goals, and objectives as set forth in the Strategic Plan
10. Represent the Association at various Association and industry events.
11. Assess own performance as a Board member regularly.
12. Review all communications received pertaining to the Association.
13. Help promote RPAC fundraising efforts.
14. Assist in the identification of key volunteers and future leadership.
15. Promote the election of Officers of the Board of Directors.
16. Be familiar with, endorse, and be a positive spokesperson for the Association's purpose, programs, products, and services.
17. Closely coordinate efforts with the California Association of REALTORS® and the National Association of REALTORS®.
18. Through the implementation of meaningful change, ensure the Association's position as a fluid, dynamic, meaningful, and responsive organization.
19. Respond promptly and in an appropriate manner to all communications pertaining to the Association.
20. Attend major functions of the Association.
21. Perform all other duties prescribed by the Bylaws, applicable law, or the Board of Directors.
22. The Board of Directors may delegate the management of the activities of the Association to any committee so long as the ultimate direction is provided by the Board of Directors.

**Additional Responsibilities:**

1. Encouraged to serve on at least one committee, ad hoc committee or work group.

**Qualifications**

1. Must be a local association of REALTORS® member in good standing.
2. Elected by the NCAOR membership.
3. Must have served a minimum of twenty-four months' involvement on any committees. The 24-month requirement may be modified or waived if the nominee has an active California Brokers license and/or at the discretion of the Board of Directors.
4. Must be actively engaged in the real estate industry and hold an active real estate license from the state of California.

Note: Encouraged to be a contributor to RPAC.

**Resignations**

In the event a Director resigns, is no longer a Member of, or eligible for membership in NCAOR from the class of membership from which such Director was elected or appointed, or in the event the Director changes business affiliation or association or otherwise materially alters the condition under which they were elected or appointed, there shall be an automatic vacancy created thereby such vacancy shall be declared by notice of the Association Executive to the Board of Directors with a copy to the director at

issue. The President shall thereafter appoint, with the advice and consent of the Board of Directors, any Primary (or Secondary) REALTOR® Member to assume the vacated position for the balance of the unexpired term of the vacant position. Upon formal approval, the NCAOR membership will be properly noticed of the resignation and replacement.

## **212. RESPONSIBILITY AND DUTIES OF A CAR DIRECTOR**

### **Term:**

CAR Directors are appointed for staggered terms of three (3) years. They are nominated by the NCAOR Executive team and presented at the Board of Directors meeting for placement on the election slate. The number of positions allotted each Association is directly related to the REALTOR member count as of as of February 15 in a given year. One position will be reserved for the following: Incoming President

### **Description and Responsibilities:**

The CAR Board of Directors are responsible for administering the affairs of the State Association in conformance with the policies adopted by the State Association from time to time and as set forth in the Bylaws. Among other things, the CAR Board of Directors has the authority to:

1. Adopt and amend the State Association's Statement of Policy
2. Annually approve the State Association's budget
3. Set dues
4. Adopt and amend a Strategic Plan for the State Association
5. Receive recommendations from committees or other groups
6. Recommend to NAR at-large directors from California.
7. Amend the Bylaws as required.
8. Elect officers of the State Association

### **Additional Responsibilities:**

1. Know the issues of importance to NCAOR and bring matters of local concern to the attention of CAR.
2. Attend State Association Board of Directors meetings and the annual Expo.
3. Keep NCAOR members informed on the activities of the state Association.
4. Present to CAR any programs, suggestions or concerns of NCAOR.
5. Be familiar with CAR's Bylaws, Strategic Plan and Statement of Policy.
6. Apply to serve on at least one CAR Committee and actively participate in associated Committee's activities.

### **Stipends and Expense Reimbursement**

Members of the Association who are appointed as CAR Directors shall be reimbursed for their expenses by and according to the following:

Expenses for travel, hotel and meals will be paid for the NCAOR President and designated CAR Directors to attend CAR business meetings. Receipts must be submitted to NCAOR to receive reimbursement for expenses outside the allotted daily meal/misc. expense per IRS Diem rated by region.

### **Travel Arrangements**

NCAOR staff will book hotel accommodations and travel for CAR Directors. Otherwise, the CAR Director is responsible for booking his/her own arrangements within the budget guidelines and shall be responsible for cost adjustments exceeding budget if plans change.

The President and Directors are expected to notify staff ASAP if hotel accommodations are not necessary, or if only certain dates should be booked. Cancellations must be given to staff at least 48 hours ahead of the meeting, or any forfeited prepaid hotel deposit paid on behalf of that individual may be invoiced to the Director.

### **Special Events**

NCAOR shall budget for, in excess of daily per diem, and participate in a dinner with all Region 3 CAR representatives at the CAR January, Mid-Year Legislative and fall meetings. Directors will be notified and asked, in advance, if they wish to participate. NCAOR will reserve with the hosting association in advance of the meeting. Directors may elect to invite a guest at their own expense.

### **Qualifications**

1. Must be a local association REALTOR® member in good standing.
2. Must be a major contributor of RPAC (A minimum of \$197 "Cost of Doing Business" Level).
3. Must have served a minimum of twenty-four months' involvement on any committee. The 24-month requirement may be modified or waived if the nominee has an active California Brokers license and/or at the discretion of the Board of Directors.
4. Must be actively engaged in the real estate industry and hold an active real estate license from the State of California.

### **Commitment**

1. Must attend the CAR January, Mid-Year Legislative and fall business meetings during his/her term and vote at the associated State Board of Directors meetings.
2. Must request to serve on at least one committee each year during the CAR Director term and actively participate on all assigned committees.

### **Resignations**

In the event a CAR Director resigns, is no longer a Member of, or eligible for membership in NCAOR from the class of membership from which such Director was elected or appointed, or in the event the Director changes business affiliation or association or otherwise materially alters the condition under which they were elected or appointed, there shall be an automatic vacancy created thereby such vacancy shall be declared by notice of the Association Executive to the Board of Directors with a copy to the director at issue. The President shall thereafter appoint, with the advice and consent of the Board of Directors, any Primary (or Secondary) REALTOR® Member to assume the vacated position for the balance of the unexpired term of the vacant position. Upon formal approval, the NCAOR membership will be properly noticed of the resignation and replacement.

## **213. RESPONSIBILITY AND DUTIES OF A NAR DIRECTOR/DELEGATE**

### **Term:**

If the Association qualifies given a minimum member count of 1000, NAR Directors are elected for a term of one (1) year. One (1) position will be reserved for the NCAOR President (one-year term), although it is not mandatory that he/she accept a position. NAR Directors are elected by the NCAOR Board of Directors prior to the May Mid-Year NAR meetings, preferably at the April meeting. *If minimum qualifying membership count is not met, the Association can elect to send a delegate, with limited voting rights, to the NAR meetings.*

### **Description and Responsibilities:**

NAR Directors/Delegates serve as a member of the governing body of the National Association of REALTORS®.

1. Attend NAR Board of Directors meetings, as well as other required national meetings
2. Report to the appropriate NCAOR Committees, the Board of Directors, and members on each NAR Board of Directors meeting.
3. Seek the opinions and/or advice of NCAOR leadership on issues under consideration by the NAR Board of Directors.
4. Encouraged to serve on at least one NAR Committee or forum and actively participate in those Committee or forum's activities.
5. Understand and agree to abide by the policies adopted by the NCAOR and CAR Boards of Directors for the position of NAR Directors.



6. Be familiar with NCAOR, CAR and NAR's Strategic Plans and key policy statements and assist in their implementation.

#### **Stipends and Expense Reimbursement**

Members of the Association who are appointed as NAR Directors/Delegates shall be reimbursed for their expenses by and according to the policies of the California Association of REALTORS® and local association. Stipend requests should be submitted within 60 days of the meeting.

#### **Travel Arrangements**

NCAOR staff will book hotel accommodations and travel for any NAR Director/Delegate, if budgeted or otherwise authorized by the Board of Directors. Otherwise, the NAR Director is responsible for booking his/her own arrangements.

#### **Qualifications**

1. Must be a REALTOR® member in good standing.
2. Must be actively engaged in the real estate industry and hold an active real estate license from the state of California.

**Note: Strongly encouraged to be a major contributor of RPAC.**

#### **Commitment**

1. If budgeted, may attend the NAR Mid-Year Legislative meetings and the NAR Convention during his/her term of office and vote at the Board of Directors meetings.
2. Must request to serve on at least one committee each year during the term of office and actively participate on all assigned committees.

#### **Resignations**

In the event an NAR Director/Delegate resigns, is no longer a Member of, or eligible for membership in CAR from the class of membership from which such director was elected or appointed, or in the event the director changes business affiliation or association or otherwise materially alters the condition under which they were elected or appointed, there shall be an automatic vacancy created thereby. Such vacancy shall be declared by notice of the Association Executive to the Board of Directors with a copy to the director at issue. The President shall thereafter appoint, with the advice and consent of the Board of Directors, any Primary (or Secondary) REALTOR® Member to assume the vacated position for the balance of the unexpired term of the vacant position. Upon formal approval, CAR and NAR will be properly noticed of the resignation and replacement

#### **NAR Mid-Year Meetings and Annual Convention**

The Association may, at its discretion, annually budget to send the President, the Association Executive and other staff (at the discretion of the Association Executive and Board of Directors) to the NAR Mid-Year Meeting and the Annual Convention.

#### **NAR Association Executive Institute**

The Association may annually budget to send the Association Executive and other staff (at the discretion of the Association Executive and Board of Directors) to the NAR education session known as the Association Executives Institute.

### **214. RESPONSIBILITY AND DUTIES OF THE ASSOCIATION EXECUTIVE**

#### **Appointment:**

The Association Executive shall be employed and appointed by the Board of Directors for such term and pursuant to such terms and conditions as the Board of Directors and the Association Executive shall mutually agree. The Association Executive shall be appointed solely on the basis of demonstrated management, executive and administrative qualifications and skill. The Association Executive shall take direction from and be under the supervision of the Board of Directors and the Executive Committee. In the event of a conflict between the supervision and direction of the Board of Directors and the supervision

and direction of the Executive Committee, the supervision and direction of the Board of Directors shall control to the extent of any such conflict.

**Description and Responsibilities:**

The Association Executive shall be the chief administrative officer of NCAOR and shall be responsible for the efficient management, execution, and administration of all of the business and affairs of NCAOR as authorized and directed by the Board of Directors. Without limiting the generality of the preceding sentence, the Association Executive shall specifically have the power and duty to:

1. Shall maintain a current list of members in good standing and certify those eligible to vote as such time as may be required;
2. Hire personnel to fill positions or vacancies on NCAOR's administrative staff and discharge or retire members of such staff in accordance with applicable law and NCAOR procedures;
3. Supervise all administrative staff and consultants of NCAOR;
4. Purchase materials and services according to applicable law, NCAOR Bylaws and procedures;
5. Oversee the facilities of the Association and safeguard its assets.
6. Recommend and implement policies, plans, and procedures for the administration, organization, and operation of NCAOR;
7. Execute all contracts and other documents duly authorized to be signed on behalf of NCAOR by the Association Executive;
8. Assist the President in preparing an agenda for Board of Directors and Executive Committee meetings and, whenever possible, attend all meetings of the Board of Directors and NCAOR committees;
9. Assign such duties as may be properly delegated to other administrative staff or consultants of NCAOR;
10. Supervise, manage, and maintain the offices of NCAOR; and
11. Serve as Association Executive of NCAOR / MLS and perform all other duties required pursuant to the NCAOR Bylaws, Policies and Procedures and MLS Rules and Regulations.

**Absence or Inability; Incapacity:**

In the event the Association Executive determines that he or she is or will be temporarily absent (i.e. business meetings, vacation, bereavement, jury duty) and unable to act or perform the duties of Association Executive, the Association Executive may designate one or more other NCAOR employees to act on the Association Executive's behalf during such temporary absence or inability to act. In the event of the Association Executive's temporary absence or inability to act or to perform the duties of the Association Executive, the Board may designate a qualified employee of NCAOR as the Acting or Interim Association Executive to perform the duties of the Association Executive during such temporary absence or inability to act.

**Other Personnel:**

Any and all other supervisory, administrative, and operating employees of NCAOR, other than the Association Executive, shall be under the supervision and direction of the Association Executive.

**Annual Review:**

The Association Executive reports to the Board of Directors through the President. The annual performance evaluation of this position shall be the responsibility of the President, along with the Past President and President-Elect. The evaluation will be scheduled for year-end and evaluation placed in the personnel files.

## **SECTION 3: COMMITTEE / "AD HOC" WORK GROUP POLICIES**

### **301. RULES OF STANDING COMMITTEES, SUB-COMMITTEES AND WORK GROUPS**

#### **Standing Committees**

Chairpersons, vice-chairpersons and members of Standing Committees shall be Association members in good standing.

A Standing Committee shall serve to be defined as a group that addresses strategies, programs and basic capacities through its own direct action or by the creation of subcommittees or work groups to get the work accomplished. Standing Committees may authorize subcommittees or work groups. From time to time, the President may elect to create an 'Ad Hoc' committee to address a specific association need or issue.

The Standing Committees of the Association of REALTORS® are defined in the Association's Bylaws and can be established or abolished by the Board of Directors, subject to approval, amendment or repeal at membership meeting or ballot with notification as set forth in the governing Bylaws.

Standing Committees receive their charges from the NCAOR President and will carry out duties as specified under the Strategic Plan. They shall report to the Board of Directors.

Standing Committees may be assigned a staff liaison(s), who, with input from the Chairman, prepare the agendas and minutes, and staff meetings/activities of the Committee.

#### **Sub-committees**

Chairpersons, vice-chairpersons and members of sub-committees shall be Association members in good standing.

A Sub-committee shall serve to be defined as a group that performs an on-going function with a specific objective or issue in mind. A sub-committee shall be evaluated annually and is not specified in the Association's Bylaws.

Sub-committees shall receive their charges from, and report to, the appropriate Standing Committee or Board of Directors.

Sub-committees may be assigned a staff liaison(s), who, with input from the Chairman, prepare the agendas and minutes, and staff meetings/activities of the Sub-committee.

#### **Ad Hoc work groups**

Ad Hoc work groups may be authorized by the President, the Board of Directors, or by a Standing Committee, if an issue warrants immediate attention. Any such Work group may be abolished by the Board of Directors.

An Ad Hoc work group shall serve to be defined as a group of members and non-members that is called together for a limited period of time to address a specific issue, trend, strategy or problem of immediate consequence to the members, the Association, or the local industry. The findings of the work group may include the recommendation for the establishment of a Sub-committee or Standing Committee.

Ad Hoc work groups shall report to the body that authorized them to be formed.

All Ad Hoc work groups may be assigned a staff liaison(s), who, with input from the Chairman, shall prepare the agendas and minutes, and shall staff all meetings/activities of the Work group.

#### **Committee Reports, Recommendations & Records**

Committees, Sub-Committees and Ad Hoc work groups shall make interim reports to the Board of Directors as necessary. Where appropriate, and/or requested by the Board of Directors, Committees shall present reports at other meetings.

Committee, Sub-Committee and Ad Hoc work group reports shall be received and filed or referred back to the Committee, Sub-Committee or Ad Hoc work group. Approved BOD actions may be handled individually or collectively, covering adoption and implementation.

Committee, Sub-Committee and Ad Hoc work group reports will not be amended by the ruling body without the approval of the Committee, Sub-Committee or Ad Hoc work group.

Final Committee reports recommending a course of action for conveying information to the Board of Directors shall be given by the chairperson, by a substitute chosen by the Committee Chair, or alternatively, in writing.

Each Committee, Sub-Committee or Ad Hoc work group shall keep minutes of all meetings and the Chairperson shall file a copy of the minutes with the Association Office.

#### **Committee/ Sub-Committee/Ad Hoc work group Finances**

Committee, Sub-Committee and Ad Hoc work group appropriations, with the constraints of the annual budget, may be authorized and adjusted by the Board of Directors.

All Committee expenditures are subject to the provisions of the NCAOR Financial Policies as concerns, budgets and financial administration.

The Chairperson of a Committee, Sub-Committee or Ad Hoc work group shall be responsible to the Association Executive and President for assuring that the program of the particular Committee or Ad Hoc work group is carried out within the constraints of their authorized original or adjusted annual appropriation.

No Committee, Sub-Committee or Ad Hoc work group shall sign or cause to be signed any contract binding the Nevada County Association of REALTORS® as a party. The President and Association Executive shall be given the authority to sign contracts, authorized by the Board of Directors, as specified in the NCAOR Financial Policies.

### **302. RESPONSIBILITY AND DUTIES OF A COMMITTEE CHAIRPERSON**

#### **Term:**

A Committee, Sub-committee or Ad Hoc work group Chairperson is appointed by the President, with the consent of the Board of Directors, to serve for a 1 Year term (or until a respective successor is duly elected and qualified)

#### **Description and Responsibilities:**

The Chairman, along with assigned staff, is responsible for the effective oversight of the Committee Sub-committee or Ad Hoc work group's work, consistent with Board approval and policies, and shall have the duty to:

1. Attend a Chair Orientation Session.
2. Consult with the President and assigned staff in planning the Committee's, Sub-committee's or Ad Hoc work group's annual objectives and programs. If funds are required to carry out strategic directives, he/she shall meet with the assigned staff to prepare a budget to submit to the AE as a part of the annual budgeting and/or midyear budget review process.
3. Assist with the recruitment and orientation of Committee, Sub-committee or Ad Hoc work group members. Motivate the members toward the attainment of the Committee's, Sub-committees or Work group's objectives and strategies.
4. Call for and plan necessary meetings with assigned staff.
5. Preside at all meetings; keep the discussion on topic; encourage member participation
6. Remain informed regarding the progress of Committee, Sub-committee or Ad Hoc work group members' work assignments.
7. Ensure that accurate minutes are kept, motions recorded, necessary reports prepared, and a record of Committee work is maintained.

Report the Committee, Sub-committee or Ad Hoc work group's progress to the Board of Directors through regular monthly written reports when appropriate.

**Additional Responsibilities:**

1. Attend a training/planning session as scheduled by the Association.
2. Attendance at committee-related functions.
3. Make every attempt to attend all major functions of the Association.
4. Have a working knowledge of *Robert's Rules of Order*.
5. Be familiar with the Association's Strategic and associated Business Plans and assist in the implementation of the objectives and strategies for their area of responsibility.
6. Be prepared to accept all other duties as requested by the President and maintain continuous liaison with the Association Executive and other assigned staff to ensure proper coordination in the conduct of the Association's business.

**Qualifications**

1. Must be a local association REALTOR® member in good standing.

Note: Encouraged to participate as a contributor to RPAC

**303. RESPONSIBILITY AND DUTIES OF A COMMITTEE VICE CHAIRPERSON**

**Term:**

A Committee, Sub-committee or Ad Hoc work group Vice Chairperson may be appointed by the President with the advice of the President-Elect, and the consent of the Board of Directors, to serve for a 1 Year term (or until a respective successor is duly elected and qualified).

**Description and Responsibilities:**

The Vice Chairman may be responsible for assisting the Chairman in the effective oversight of the Committee, Sub-committee or Ad Hoc work group's work, consistent with Board approval and policies, and shall have the duty to:

1. Prepare for, attend, and actively participate in all meetings of the committee
2. Review the mandate of the committee as outlined by the Board of Directors
3. Serve in the absence or inability of the Chairman
4. Perform all other duties prescribed by the Bylaws, applicable law, or the Board of Directors

**Additional Responsibilities:**

1. Occasional attendance at committee-related functions
2. Make every attempt to attend all major functions of the Association.
3. Have a working knowledge of *Robert's Rules of Order*.

**Qualifications**

1. Must be a local association REALTOR® member in good standing

Note: Encouraged participate as a contributor to RPAC

**304. RESPONSIBILITY AND DUTIES OF A COMMITTEE MEMBER**

**Term:**

Unless otherwise specified, all terms are for one year with the exception of Grievance, Strategic Planning and Professional Standards who shall serve staggered three (3) year terms.

**Description and Responsibility**

To participate in the implementation of Association activities on an approved Standing Committee, Sub-Committee or Ad Hoc work group.

1. Review any and all pertinent background material and the agenda before coming to meetings.
2. Accept and follow through on assignments as requested by the Chairperson of the Committee or Work group.
3. Actively participate in scheduled Committee, Sub-Committee and/or Ad Hoc work group meetings and programs; use his or her personal talents to ensure productive efforts.
4. Be familiar with the Association's Strategic and Business Plans and assist in the implementation of the objectives and strategies for their area of responsibility.

**Qualifications**

1. REALTOR® or Affiliate Member in good standing except for Finance, MLS, Grievance and Professional Standards which require REALTOR® standing.

Note: Encouraged to participate as a contributor to RPAC

**305. COMMITTEE AUTHORIZATION AND ABSENCES**

As per Article XII of the Association's Bylaws, the Board of Directors has determined that the committee structure, in most situations, is the most efficient and productive way for the Board of Directors to carry out its duties and responsibilities.

**306. Standing Committees**

The Standing Committees of the Board of Directors are:

- A. Education
- B. Equal Opportunity
- C. Finance
- D. Grievance
- E. Legislative
- F. Membership
- G. Multiple Listing Service
- H. Professional Standards
- I. Public Relations
- J. Strategic Planning

**307. Committee Descriptions**

**A. Education Committee**

The purpose of the Education Committee is to offer education and training programs that provide technical skills and professional values to pursue a successful career in real estate, and to engender a passion to support the advancement of the industry. The Education Committee is review and schedule, monitor and evaluate prospective educational opportunities as a value-added service for association members.

**Composition:**

The committee shall be selected by the President and Chairperson. The Chairperson shall be appointed by the NCAOR President. Any Vice-Chair shall be appointed by the CAR President with the advice of the CAR President-Elect. All appointments are for one-year terms.

**Primary Staff Support:** Member Services/Education Assistant

**B. Equal Opportunity Committee**

The purpose of the Equal Opportunity Committee is to work to further fair housing and anti-discriminatory initiatives. This committee shall report directly to the Board of Directors.

**Composition:**

The committee shall be composed of members at-large selected by the President and appointed Chairperson. The Chairperson shall be appointed by the NCAOR President. Any Vice-Chair

shall be appointed by the NCAOR President with the advice of the NCAOR President-Elect. All appointments are for one-year terms.

**Primary Staff Support:** Association Executive and his/her assigned staff.

**C. Finance Committee**

The purpose of the Finance Committee is to provide oversight of the financial management and financial reporting function.

**Composition:**

The committee shall be composed of the Treasurer plus a select group of members at-large selected by the NCAOR President, President-Elect and Finance Chair. The Chair shall be selected by the NCAOR President. The members shall have no relationship to the Association that may interfere with the exercise of their independence from management and the Organization; and not be members of NCAOR's Audit Sub-Committee.

**Primary Staff Support:** Association Executive and his/her assigned staff.

**D. Grievance Committee:**

The purpose of the Grievance Committee is to investigate complaints received from the public and members to determine if the complaint has sufficient substance and merit to warrant an ethics or arbitration hearing or mediation procedures.

**Composition:**

The committee shall be composed of 10+ members at-large selected by the President, Chairperson and Association Executive to ensure that representation from different companies is assured as. Potential conflict of interest and elimination of reviewing parties may occur from time to time. The Chairperson shall be appointed by the NCAOR President. Any Vice-Chair shall be appointed by the NCAOR President with the advice of the NCAOR President-Elect. Members will serve a minimum two-year term on Grievance prior to being considered as a Professional Standards Panelist.

**Primary Staff Support:** Association Executive

**E. Legislative Affairs Committee**

The purpose of the Legislative Committee is to recommend the public policy initiatives of NCAOR and provide counsel to the Board of Directors on selected issues.

**Composition:**

The committee shall be composed of members at-large selected by the President and appointed Chairperson. The Chairperson shall be appointed by the NCAOR President. Any Vice-Chair shall be appointed by the NCAOR President with the advice of the NCAOR President-Elect. All appointments are for one-year terms.

**Primary Staff Support:** Association Executive, Government Affairs Director or assigned staff

**F. Membership Committee**

The purpose of the Membership Committee is to help oversee the membership application process and provide guidance with regard to forms, marketing and the provision of member benefits.

**Composition:** The committee shall be comprised of a Chairperson and REALTOR and Affiliate members in good standing selected by the President and appointed Chairperson.

**Primary Staff Support:** Member Services Assistant

**G. MLS Committee**

The Multiple Listing Service is a means by which authorized MLS broker participants can establish legal relationships with other participants by making blanket unilateral contractual offers of compensation and cooperation to other broker participants; by which information is accumulated and disseminated to enable authorized participants to prepare appraisals and other valuations of real property; by which participants engaging in real estate appraisal contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information among the participants so that they may better serve their clients and the public.

**Composition:** According to Article XVIII of the NCAOR Bylaws, the Association President shall appoint, subject to the confirmation of the Directors, a MLS Committee of REALTOR® members. All members of the committee shall be MLS Participants or Subscribers and shall serve a one (1) year term. At the President's discretion, the Committee may select the MLS Chair from among the MLS Committee members at their first meeting of the year and when deemed necessary. The actions of the MLS Committee are subject to the approval of the Board of Directors.

**Primary Staff Support:** MLS / Communication Assistant and Association Executive

**H. Professional Standards Committee:**

The purpose of the Professional Standards Committee is to be responsible for enforcement of the Code of Ethics through the conduct of ethics and arbitration hearings.

**Composition:**

The committee shall be composed of members at-large selected by the Chairperson and Vice-Chairperson. The Chairperson shall be appointed by the NCAOR President. Any Vice-Chair shall be appointed by the President with the advice of the President-Elect. Members will serve staggered 3-year terms.

**Primary Staff Support:** Association Executive or Professional Standards Coordinator

**I. Public Relations**

The purpose of the Public Relation Committee is to recommend the policy directions, advertising and promotions relating to and promoting the Association's relationship with its members and the Community.

**Composition:**

The committee shall be composed members at-large selected by the President and Chairperson. The Chairperson shall be appointed by the NCAOR President. Any Vice-Chair shall be appointed by the NCAOR President with the advice of the NCAOR President-Elect.

**Primary Staff Support:** Association Executive, Communications Assistant and assigned staff.

**J. Strategic Planning**

The purpose of the Strategic Planning Committee (Executive Committee) is to make policy recommendations for Board approval and is empowered to act on behalf of the Board between meetings, including ratification of Professional Standards cases. Otherwise the focus of the Strategic Planning Committee will be on strategic matters, policy issues, and issues of regional, state or national importance which will have an impact on the Nevada County real estate community.

**Composition:**

The committee shall be composed of 6 members, as follows:

- President (Chair)
- President-Elect (Vice-Chair)
- Secretary



- Treasurer
- Immediate Past President
- Association Executive Officer (ex-officio and non-voting)

**Primary Staff Support:** Association Executive and his/her assigned staff

### **308. SPECIAL AD HOC/WORKING GROUPS**

Special Working Groups have been established as follows:

- D. Special Events
- E. “Of the Year”
- F. Nominating Committee/Election Committee

### **309. SPECIAL AD HOC/WORKING GROUP DESCRIPTIONS**

#### **A. Special Events**

The purpose of the Special Events Sub-Committee is to plan, organize, and promote networking and promotion venues and annual installation event.

#### **Composition:**

The committee shall be composed of members at-large selected by the Chairperson. The Chairperson shall be appointed by the President. All appointments are for one year terms.

**Primary Staff Support:** Association Executive and MLS Communications Assistant and assigned staff as required.

#### **B. “Of the Year” Awards Sub-Committee**

The purpose of the Awards Sub-Committee is to review submitted nominations from the NCAOR membership with regard to annual “Of the Year” award recipients to be awarded and acknowledged at the annual Installation and membership meeting. The awards are as follows: REALTOR® of the Year, Affiliate of the Year and Citizen of the Year. The REALTOR of the Year will be awarded annually. All other awards will be at the discretion of the committee.

#### **Composition:**

The Committee shall be comprised of the last three (3) years award recipients. The Chairperson shall be the current President and, as Chair, is ineligible for award consideration.

**Primary Staff Support:** Association Executive and assigned staff.

#### **Practices:**

##### 1. Timeframes:

- Solicitation for nominees sent out to membership in October/November
- Committee meets in early December to review nominations and select recipients
- Awards presented at annual Installation event  
Press Releases composed and ready to submit to local news media at end of event or day following.

##### 2. Solicitations for nominations to be sent out to:

- General membership
- NCAOR Directors
- Past “Of the Year” recipients
- Committee Chairs
- Staff

- Posted at Association office and branch locations
3. Nomination process:
    - Nominations turned into association office by stated deadline and will be kept confidential
    - Committee reviews all nominations and considerations; they may select one winner for each award category
  4. Presentation of awards:
    - All awards to be presented at the annual Installation event.
    - Award winners announced in various news media following Installation
    - Presenters (Winners from previous year) are acknowledged in the Installation program and will announce and present plaques to recipient during the installation event
    - Recipient have the opportunity for brief comment
  5. Name remains active for 1 year:
    - Any individual may be nominated in subsequent years.
    - Any nominees not receiving the award will remain on file for consideration the following year.
    - Nominees will review and contributions updated from the prior year.

**C. Nominating / Election Committees**

The Nominating and Election Committees are appointed annually under the guidelines of the NCAOR Bylaws.

NCAOR Nomination/Election Procedures

**Election of Officers and Directors.**

(1) The President shall appoint an Election Committee consisting of a minimum of three (3) REALTOR® directors and no more than five (5) REALTORS® that do not have director terms ending in the current year. Should any of the appointees become a candidate for elective office, he shall automatically resign from the Committee and the President shall appoint a replacement. This Committee shall have the authority to determine all matters with respect to elections with such specifics as calendaring dates and creating official notifications to membership. Elections committee members, as appointed by the President, may from time to time serve in a dual capacity as Nominating Committee Members.

(2) A Nominating Committee comprised of no more than five (5) REALTOR® members, each of who shall be appointed by the President, shall meet and select one nominee for each officer and director vacancy occurring as of January 1 of the new calendar by no later than two (2) months prior to a scheduled annual election.

(3) By no later than four (4) weeks preceding the scheduled election, a list of nominees as reported by the nominating committee shall be distributed to all REALTORS® members of record as of June 30, along with instructions for additional nominations. The instructions will contain the officers and directors to be elected, the procedures for making additional nominations and the deadline by which such nominations must be returned. The instruction content is seen in Appendix A and Appendix B.

If additional nominations are not forthcoming by three (3) weeks prior to the scheduled election date, the nominees as reported by the nomination committee shall be duly elected. Any REALTOR® member shall have the right to make additional nominations. For such nominations to be valid:

The nominee must qualify for the office or director vacancy being sought and acknowledge that he is a willing nominee and will serve if elected. The nomination must be in writing, shall be signed by twenty-five (25%) percent of the REALTOR® members and must be received at the Association office no later than three (3) weeks prior to the election. If the nomination is found lacking in the number of necessary signatures, the nominee will be notified and has the two (2) days or forty-eight (48) hours to rectify the nomination.

If additional nominations are received, no later than three (3) weeks prior to the election, a ballot containing the names of all valid nominations shall be distributed to all REALTOR® members eligible to vote of record as of June 30, along with instructions and materials on casting and return of ballots. The ballots may be returned by mail, email or delivered directly to the association office.

All ballots must be received at the Association office by the noticed deadline in time for the Election Committee to count them and have the election results finalized for reporting to the Board of Directors at their meeting on the last Thursday in September. Officers and Directors shall be elected by plurality. In the event two or more nominees attain a tie vote, it shall be decided by lot, under supervision of the Election Committee, which of them shall be elected.

Ballots shall be verified for eligibility and counted by the election committee, and results presented to the association staff.

Directors and Officers shall be installed at the annual meeting held at the beginning of the calendar year.

The Officers of this Board shall be elected annually to serve from January 1 to the following December 31 or until their successors are elected and installed. Each director shall serve a three-year term or until his successor is elected and installed.

No officer shall hold the same office for more than two consecutive terms with the exception of the Secretary or the Treasurer.

Vacancies in appointed offices or committees shall be filled by the appointing power. Vacancies shall be filled for the remainder of the unexpired term.

### **310. SPECIAL ORGANIZATIONS UNDER THE ASSOCIATION UMBRELLA**

Special organizations have been established and exist under the Nevada County Association of REALTORS entity as follows:

- A. Masters Club
- B. Young Professionals Network

### **311. SPECIAL ORGANIZATION DESCRIPTIONS**

#### **A. Masters Club**

The Nevada County Association of REALTORS' Masters Club identifies the top in Sales Production within its membership. In order to qualify for Masters Club, REALTOR members must produce over a specific sales volume in real estate sales with a minimum of eight transactions.

#### **B. Young Professionals Network**

A Network and voice of a fast-growing group of REALTORS®, young professionals, who are focused on personal growth, networking, and association involvement with a primary focus on helping young professionals engage in:

- Association activities: Encourage young people to attend meetings and participate in committees at the local, state, and national level.

- Advocacy: Encourage them to get involved in policy discussions and take an active role in advocacy.
- Peer mentoring: Provide a way for young people to network and learn from one another, through both social events and education aimed at helping them enhance their real estate prowess and increase their survivability in a highly competitive industry.
- Community: Cultivate the future generation of Good Neighbor Award winners.

## **SECTION 4: FINANCIAL POLICIES**

### **401. INTRODUCTION**

The following section is intended to provide an overview of the accounting and financial policies and procedures applicable to the Nevada County Association of REALTORS®, which shall be referred to as “N.C.A.O.R.” or “the Association” throughout this manual.

N.C.A.O.R. is incorporated in the state of California. N.C.A.O.R. holds a modified not-for-profit status for federal income taxes.

This section documents the accounting and financial operations of the Association. Its primary purpose is to better formalize accounting financial policies and selected procedures for the accounting staff and to document internal controls. Procedures will be revised as required.

### **402. ACCOUNTING DEPARTMENT OVERVIEW**

#### **Association**

The accounting department consists of one (1) full-time employee and an independent contractor serving as bookkeeper which manage and process financial information for NCAOR. The positions comprising the accounting department of NCAOR are as follows: Accounting Assistant and Independent Bookkeeper. A contracted Certified Public Accountant performs a review of financial statements and associated report prior to presentation to the Finance Committee and Board of Directors at year end or as deemed necessary.

Other officers and employees of N.C.A.O.R. who have financial responsibilities, and the abbreviations of each position used throughout this manual, are as follows: Association Executive (AE), President, Treasurer, Finance Chair and Finance Committee Members.

#### **Responsibilities**

The primary responsibilities of the accounting department consist of:

- Accounts Payable
- Accounts Receivable and Billing
- Periodic Audits
- Asset Management
- Bank Reconciliation
- Budgeting
- Cash Disbursements
- Cash and Investment Management
- Cash Receipts
- Compliance with Government Reporting Requirements
- Contracts Administration
- External Reporting of Financial Information
- Financial Statement Processing
- General Ledger
- Payroll

### **403. REVENUES AND CASH RECEIPTS**

### **Refunds of Revenue Received**

A nominal processing fee may be applied to refunds. Refunds will be issued provided proper authorization is obtained. The following policies apply to refunds associated with revenue collected by C.A.R.:

- **Application fees** – Not refundable – this is a cost for processing and reflects staff time and effort.
- **Dues** – Refunds may be granted provided dues amounts have not been forwarded to CAR and NAR via the monthly transmittal. If forwarded, only local dues may be refunded. In the event of a double-payment, NCAOR may refund amount less credit card processing or credit the member's account to the next billing cycle.
- **MLS Fees** – Refunds for Quarterly fees for months will be considered under the guideline of the MLS appeal process as set forth in the MLS Rules and Regulations unless otherwise authorized by Association Executive due to a medical reasons or untimely death. (Note: Agents transferring to another association between billing cycles need to take this cost into consideration prior to their change in office affiliation.) In the event of a double-payment, NCAOR can refund amount less credit card processing or apply the member's account credit to the next billing cycle.
- **Store Sales** – The Nevada County Association of REALTORS® offers a 30-day return/exchange policy on most products except for those listed under non-refundable items in this manual. The original sales receipt must be presented to claim the refund. NCAOR's refund applies to the product price of items purchased at the Nevada County Association of REALTORS® store.

### **Refund claims must include:**

A purchase receipt.

1. The retail product in good, unused, and resalable condition with all accessories, manuals, and documentation intact.
2. The buyer's mailing address, contact phone number, and email address.
3. A brief comment as to why the refund is requested.

If the item is returned unopened in the original box or package, an exchange will be offered, or a refund based on the original method of payment. Returns for cash or check purchases will be issued a check from the Nevada County Association of REALTORS® and mailed in 14 business days of the return. Items purchased with a credit card will be credited back to the original credit card used at the time of purchase. If the original credit card is not available for a credit, a written statement of the status of the card must be provided before a refund check will be issued.

### **Non-refundable items:**

- Books, contracts, maps, study aids and software programs.
- Any calculators cannot be returned or exchanged, unless defective.
- Lockboxes are non-returnable if excessively damaged.
- Opened Software
- Gift Certificates
- "Discontinued" or "Sale" items
- Sign Posts, Brochure boxes, brochure stands, and feature sheet holders can be returned ONLY as long as they are in their original "new" condition.
- RPAC Contributions
- Electronics

### **Other Terms & Conditions:**

- All returns are subject to NCAOR approval.
- NCAOR reserves the right to refuse a return or exchange.
- NCAOR is not responsible for product typographical errors.

No NCAOR employee has the authority to vary any of the Nevada County Association of REALTORS® store's policies or the Terms and Conditions governing any sale.

### **Lockboxes:**

Refunds/exchanges are to be consistent with Supra policies. The lockbox contract should be reviewed for details.

#### **School Education:**

- If a student cancels his/her attendance at a class following the cancellation deadline, a tuition refund may be considered less an applicable cancellation fee if minimum classroom count has been met. ALL CANCELLATIONS MUST BE IN WRITING via fax or email to NCAOR.
- If a student is a "No Show" for a class, no refund is applicable. A refund may be considered if notification is made prior to class opening and there are extenuating circumstances.
- No cash or credit card refunds. Check requests with accompanied documentation will be forward to accounting for refund check disbursement.
- NCAOR reserves the right to cancel or reschedule any course or individual class session(s), at any time, for any reason. If we cancel an entire course, students will receive a full refund of their tuition or have the option of transferring to another course anytime within six months of the original class date. NCAOR will notify students as early as possible as to any course cancellations.
- Students who cannot attend the make-up session will have the option of transferring to another class (full repeat required) or provided with a refund.
- NCAOR reserves the right to cancel, substitute or reschedule any instructor for any reason at any time; no monetary compensation will be applicable.
- Registration/reservations will not be held past the stated class start time. Late arrivals will have the option of registering for another class. Non-Registered, walk-in students will be accommodated after all pre-registered students have been seated.

**404. CASH RECEIPTS** – Policy revised July 2010 with MAGIC accounting review. Policy further revised April 2011 with Accounting Assistant evaluation and description update found under staff job description.

#### **On-Site Collections**

Cash, check and credit card payments (Visa and MasterCard) may be accepted at all NCAOR offices for payment of dues, fees, education, retail, etc.

For all credit card payments, NCAOR will request the following information:

1. Customer/Association name, address and phone number
2. Name of credit cardholder
3. Credit card number
4. Expiration date
5. Security Code

Payments must be posted real-time.

1. All Magic receipts for credit card purchases will be emailed to Member's email on file and retained in the Magic A/R files. The payment receipt forms are not necessary unless there is an instance where real-time posting is not possible (i.e. MAGIC is down). In this instance the pre-numbered three-part forms should be retained entry can be placed in MAGIC or provided to Accounting for filing during long term internet outage.
2. All checks should be entered into MAGIC each day. There should be no checks, cash or credit cards left unprocessed overnight unless funds are received at time of closing or during heavy volume of periodic billing deadlines at which time payments received should be placed in the locked cash box within the secured accounting office.
3. All batches are to be processed and forwarded to Accounting each week.
4. Co-mingling of funds is prohibited. (Rev. 8/11) Petty cash should be kept separate from cash register funds.
5. Lost or missing funds must be reported to the Association Executive immediately.

#### **Credit Policy**

No credit is applicable to association or MLS services. Credit card, cash and checks are accepted. Payment in full is due at the time of purchase, registration or billing deadline unless otherwise noticed or granted through special request/appeal.

#### **Processing of Checks and Cash Received in the Mail**

For funds that are received directly at NCAOR, cash receipts are processed at time of payment to ensure that cash is appropriately recorded and deposited on a timely basis.

The Association staff receiving the funds via U.S. Mail will stamp all the associated payment paperwork with a date-received stamp.

Mail is opened and checks are immediately logged/recorded in MAGIC, which will serve as a permanent record of receipt. The checks are set up with deposit slip and adding machine tape for deposited by such staff into the appropriate bank account. Deposits are accompanied by deposit slip with associated check numbers and check holders' names. A copy of deposit slip with associated information is kept in the accounting records.

#### **Timeliness of Bank Deposits**

It is the policy of NCAOR that bank deposits will be made multiple times during a given week, and daily if necessary, during quarterly and annual billing cycles. During all other times, deposits will be recorded and maintained under secured files within the Accounting office and deposited a minimum of once a week.

#### **Reconciliation of Deposits**

On a monthly basis, the Bookkeeper, who does not prepare the initial cash receipts listing or bank deposit, shall reconcile the listings of receipts to bank deposits reflected on the monthly bank statement. Any discrepancies shall be immediately reported to the Association Executive and investigated. On a quarterly basis, NCAOR's CPA may perform an audit of all financial statements and associated bank statements and deposits.

Bank statements should be provided to the Association Executive, who will initially review statement, stamp, date and initial and provide to accounting staff for QB entry, reconciliation and record book entry.

Within 48 hours, the Association Executive will forward the statements to the Accounting Assistant and Bookkeeper for the bank reconciliation process. The Bookkeeper will answer any questions posed by the Association Executive or Accounting Assistant and will have all bank reconciliations completed by the 15<sup>th</sup> of each month.

The bank reconciliation will be available for Association Executive and CPA review and initials, along with the internal financial statements.

It is the policy of the Association to include checks returned to the bank because of non-sufficient funds in the accounts receivable.

Once a member's check has been returned for insufficient funds, the association will ask for an alternate form of payment and remittance of a \$20 insufficient check fee.

#### **Processing of Mailbox Receipts**

Mailbox receipts are picked-up, date stamped and processed by the Accounting Assistant daily.

This information is entered into the cash receipts system and subsequently posted to the general ledger cash accounts and accounts receivable where applicable.

The National Association of REALTORS® E-commerce is utilized for credit card processing.

**Note:** All confidential information including member and financial information is destroyed/shredded immediately upon processing completion in MAGIC.

Documentation will include the actual checks collected, any credit card charge slips and cash receipts.

#### **405. Purchasing Policies and Procedures**

##### **Overview**

The policies/procedures described in this section apply to all purchases made by NCAOR. It is the policy of NCAOR to follow a practice of ethical, responsible and reasonable procedures related to purchasing, agreements and contracts, and related forms of commitment. The policies in this section describe the principles and procedures that all staff shall adhere to in the completion of their designated responsibilities.

##### **Responsibility for Purchasing**

The Association Executive and designated Accounting Assistant shall have the authority to initiate purchases on behalf of their areas of responsibility, within the guidelines described in this manual. The accounting department shall maintain a current record of all authorized purchasers and inventory of large assets.

The accounting department shall be responsible for processing purchase orders. The Association Executive and Board of Directors shall have approval authority over all purchases and contractual commitments as defined in this policy.

##### **Non-Discrimination Policy**

All vendors/contractors who are the recipients of Association funds, or who propose to perform any work or furnish any goods under agreements with NCAOR shall agree to these important principles:

1. Vendors/Contractors will not discriminate against any employee or applicant for employment because of race, religion, color, sexual orientation or national origin.
2. Vendors/contractors agree to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause. Notices, advertisement and solicitations placed in accordance with Federal law, rule or regulation shall be deemed sufficient for meeting the intent of this section.

##### **Use of Purchase/Order Binder**

It is the policy of NCAOR to utilize a purchase purchase/order system. A copy of all orders placed will be placed in the Purchase Order Binder. The following information should be reflected in the order/invoice:

- Specifications or statement of services required
- Vendor name, address, point of contact and phone number
- Source of funding (if applicable)
- Delivery or performance schedules
- Delivery, packing and transportation requirements
- Special conditions (if applicable)
- Catalog number, page number, etc. (if applicable)
- Net price per unit, less discount, if any
- Total amount of order
- Authorized signature Initials
- Date Order Placed

The Order Binder shall be kept by the Accounting staff in a secure area.

All orders shall be copied and placed/recorded in a purchase order binder and reviewed at the end of each accounting period by accounting staff/management for receipt/status. A reporting of orders/outstanding orders will be provided to Association Executive, Accounting and Leadership upon request.

##### **Authorizations and Purchasing Limits**



All completed orders should be initialed, signed or name reflected by staff placing order and approved by the management where required. All orders/contracts in excess of \$5,000 between NCAOR and outside parties must be reviewed and approved by the Association Executive, President and/or Board of Directors as outlined in the Association Bylaws. Any and all Professional Services need to be approved by the Association Executive or leadership prior to incurring unless an "emergency" exists. All vendor contractual agreements in excess of \$25,000 (review) should be reviewed by outside legal counsel. The BOD must approve any major unbudgeted items not approved during the planning and budgeting processes (See Bylaws).

### **Required Solicitation of Quotations from Vendors**

The Association practices the following expenditure procedures:

- Printing--At least three bids required for expenses exceeding \$1,000
- Capital Purchases--At least three bids required for expenses exceeding \$2,500
- Inventory Purchases--At least two bids required for expenses exceeding \$1,000
- Professional Services, including CPA and law firms, should be evaluated at least every five years, and requests for proposals will be prepared and sent to qualified firms in the same field.
- Other--At least three bids required for expenses exceeding \$3,000

The final decision to approve a vendor will be made by the Association Executive and/or BOD.

Solicitations for goods and services (requests for proposals) should provide for all of the following:

1. A clear and accurate description of the technical requirements for the material, product or service to be procured.
2. Requirements which the bidder must fulfill and all other factors to be used in evaluating bids or proposals (see the next section entitled "Evaluation of Alternative Vendors" for required criteria).
3. A description, whenever practicable, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.
4. The specific features of "brand name or equal" descriptions that bidders are required to meet when such items are included in the solicitations.
5. A Service Level Agreement.
6. Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.
7. A description of the proper format, if any, in which proposals must be submitted, including the name of the NCAOR representative to whom proposals should be sent.
8. The date by which proposals are due.
9. Required delivery or performance dates/schedules.
10. Clear indications of the quantity(ies) requested and unit(s) of measure.

### **Evaluation of Vendors**

Alternative vendors shall be evaluated on a weighted scale that considers the following criteria:

1. Adequacy of the proposed methodology of the vendor
2. Skill and experience of key personnel
3. Demonstrated company experience
4. Other technical specifications (designated by department requesting proposals)
5. Compliance with administrative requirements of the request for proposal (format, due date, etc.)
6. Vendor's financial stability
7. Vendor's demonstrated commitment to the realtor sector
8. Results of communications with references supplied by vendor
9. Ability/commitment to meeting time deadlines
10. Cost
11. Minority- or women-owned business status of vendor
12. Other criteria (to be specified by department requesting proposal)

Not all of the preceding criteria may apply in each purchasing scenario. However, in each situation requiring consideration of alternative vendors, the department responsible for the purchase shall establish

the relative importance of each criterion prior to requesting proposals and shall evaluate each proposal on the basis of the criteria and weighting that have been determined.

After a vendor has been selected and approved by the department director, the final selection shall be approved by the Association Executive and the President (Also BOD or Membership when required) prior to entering into a contract.

### **Special Purchasing Conditions**

#### **Emergencies:**

Where equipment, materials, parts, and/or services are needed, quotations will not be necessary if the basic health, welfare, safety, etc., of staff and protection of Association property is involved.

#### **Single Distributor/Source:**

Where there is only one (1) distributor for merchandise needed and no other product meets the stated needs or specifications, quotations will not be necessary.

### **Vendor Files and Required Documentation**

The A/P Assistant shall create a vendor folder for each new vendor from whom NCAOR purchases goods or services on a repeated basis. Otherwise singular vendor invoices will be placed under given Alpha file. Upon making the initial purchase from any vendor the A/P Assistant shall mail a blank Form W-9 to that vendor, along with a request for the vendor to complete and sign the W-9. Completed, signed Forms W-9 or substitute documentation shall be filed in the W-9 master file binder. Vendors who do not return a completed, signed Form W-9 or provide equivalent documentation shall not be issued payment. Form 1099's are issued to all non-incorporated vendors with annual disbursement totaling \$ 600 or more. Vendors performing maintenance or construction to NCAOR property are required to provide certificate of insurance with a minimum coverage of one million dollars.

### **Ethical Conduct in Purchasing**

Ethical conduct in managing the Association's purchasing activities is an absolute essential. Staff must always be mindful that they represent the Board of Directors and share a professional trust with other staff and the general membership.

Staff shall discourage the offer of, and decline, individual gifts or gratuities of value in any way that might influence the purchase of supplies, equipment, and/or services. Staff shall notify their immediate supervisor if they are offered such gifts. In no case shall staff accept a gift valued at \$10.00 or greater unless authorized by the Association Executive and/or Board of Directors.

### **Conflicts of Interest Prohibited**

No officer, board member, employee, or agent of NCAOR shall participate in the selection or administration of a vendor if a real or apparent conflict of interest would be involved.

Directors and staff will review and sign a Code of Conduct form incorporating a "Conflict of Interest" policy, to be maintained on file, not less than annually in conjunction with the start of the Association's fiscal year. See Appendix 1.

### **Receipt and Acceptance of Goods**

A designated individual shall inspect all goods received. Upon receipt of any item from a vendor, the following actions shall immediately be taken:

1. Review bill of lading for correct delivery point
2. Verify the quantity of boxes/containers with the bill of lading
3. Examine boxes/containers for exterior damage
4. Note on the bill of lading any discrepancies (missing or damaged boxes/containers, etc.)
5. Sign and date the bill of lading
6. Retain a copy of the bill of lading

When goods are moved to another area for thorough inspection, the following inspection procedures shall be performed:

1. Remove the packing slip from each box/container
2. Compare the description and quantity of goods per the purchase order to the packing slip
3. Examine goods for physical damage
4. Count or weigh items, if appropriate
5. Record an indication of counts on the purchase order

It is the policy of NCAOR to perform the preceding inspection procedures in a timely manner in order to facilitate prompt return of goods and/or communication with vendors.

#### **406. ACCOUNTS RECEIVABLE MANAGEMENT (Revised April 2018 with MAGIC implementation review)** **Monitoring and Reconciliations**

The back-up of QuickBooks and MAGIC should be tested periodically to ensure all files are being backed up as intended.

By the fifteenth working day following month end a detailed accounts receivable report (showing aged, outstanding invoices by customer) is generated and reconciled to the general ledger by the accounting department. All differences are immediately investigated and resolved, and the reconciliation is reviewed by the Accounting Assistant and Bookkeeper. When a receivable reaches 20 days past due, the Accounting Assistant will contact the member to collect. The Association Executive may request a copy to determine how staff can best collect.

The accounts receivable aging in QuickBooks should be reviewed and maintained by the Accounting Assistant with oversight of Bookkeeper. If services are discontinued, a credit should be generated in MAGIC and QuickBooks to provide a clear accounting trail. At the end of each month credit memos are reviewed by Bookkeeper and Association Executive, along with other month end reports. Quarter-end reconciliation reports are reviewed, initialed and filed accordingly in the Accounting Binder.

#### **Credits and Other Adjustments to Accounts Receivable**

From time to time, credits against accounts receivable from transactions other than payments and bad debts will occur. Examples of other credits include returned products and adjustments for billing errors or advance MLS Quarterly Fees. All credits shall be authorized by the Association Executive and second signatory and process during the next payment cycle.

#### **Accounts Receivable Write-Off Authorization Procedures**

It is the policy of NCAOR to ensure that all available means of collecting accounts receivable have been exhausted before write-off procedures are initiated. Write-offs are initiated quarterly by the Accounting Department, in conjunction with the Association Executive. If an account receivable is deemed uncollectible, the Association Executive must approve.

Once a write-off has been processed, appropriate individuals in the originating department are to be advised to ensure that further credit is not granted and to update the master list of bad accounts. If the write-off is processed for a member of the Association, then that information needs to be entered into the member database. Customers listed as poor credit risks will be extended future credit only if the bad debt is paid and the customer is no longer deemed a collection problem.

If write-off procedures have been initiated, the following accounting treatment applies:

- Current year invoices that are written off will either be charged against an appropriate revenue or revenue adjustment account or against the original account credited.
- Invoices written off that are dated prior to the current year will be treated as bad debt and will reduce the allowance for doubtful accounts.

### **Reserve for Uncollectible Accounts**

There is no current policy of NCAOR to maintain a reserve for uncollectible accounts receivable. Where a policy exists, at the end of each fiscal year, the allowance for doubtful accounts is adjusted based on the following factors:

1. An analysis of outstanding, aged accounts receivable
2. Historical collection and bad debt experience
3. Evaluations of specific accounts based on discussions with the department that originated the sale resulting in the receivable

Year-end adjustments in accounting for uncollectible accounts will be performed only when reported by management to the Finance Committee and approved by the BOD in financials.

## **407. ACCOUNTS PAYABLE MANAGEMENT**

### **Overview**

NCAOR strives to maintain efficient business practices and good cost control. A well-managed accounts payable function can assist in accomplishing this goal from the purchasing decision through payment and check reconciliation.

The recording of assets or expenses and the related liability performed by an accounting employee will be reviewed by the Association and Bookkeeper periodically to ensure proper tracking and recordation of purchases and assets. The amounts recorded are based on the vendor invoice for the related goods or services. The vendor invoice should be supported by an approved purchase order where necessary; all major purchase, apart from day to day office supplies, should be reviewed and approved by the Association Executive prior to being processed for payment. Invoices and related general ledger account distribution codes should be reviewed and initialed prior to posting to the general ledger.

The primary objective for accounts payable and cash disbursements is to ensure that:

1. Disbursements are properly authorized and posted
2. Invoices are processed in a timely manner
3. Vendor credit terms and operating cash are managed for maximum benefits

### **Recording of Accounts Payable**

The backup of QuickBooks should be tested periodically to ensure all files are being backed up as intended.

All valid accounts payable transactions, properly supported with the required documentation, shall be reviewed and recorded as accounts payable in a timely manner.

Accounts payable are received, reviewed on a daily basis and placed in a folder for review, stamp of approval and AE initials and sent to "Unpaid" folder for processing. Information is entered into the system from approved invoices or disbursement vouchers with appropriate documentation attached. A minimum of twice a month, checks should be printed for open invoices, requested signatures obtained and distributed to appropriate vendors/individuals.

It is the policy of NCAOR that only original invoices will be processed for payment unless duplicated copies have been verified as unpaid by researching the vendor records. No vendor statements shall be processed for payment; payment is generated off invoices only.

Each issued check record will be stapled to the associated original invoice to help reduce the possibility of paying an invoice twice and filed accordingly.

### **Establishment of Control Devices**

Control of invoices is established by the A/P Assistant as soon as invoices are received. Upon receipt of invoices each invoice should be recorded on a log of invoices received, "date received" stamped, and

distributed to the Association Executive and appropriate personnel for approval. The log is to be reviewed consistently to determine which, if any, invoices have not been returned to the accounting department.

### **Preparation of a A/P**

Prior to any account payable being submitted for payment, the following documents must be provided:

1. Vendor invoice (or employee expense report with supporting receipts)
2. Signed off Packing slip (where appropriate)
3. Any other supporting documentation deemed appropriate

### **Processing of A/P**

The following procedures shall be applied by Accounting Assistant:

1. Check the mathematical accuracy and coding of the invoice or expense report
2. Obtain the review and approval Association Executive for services purchased
3. Compare the nature, quantity and prices of all items ordered per the vendor invoice to the purchase order, packing slip and receiving report
4. Load into Quick Books. Document the general ledger distribution, using the chart of accounts
5. Process checks and obtain necessary signatures prior to distribution to vendors.

Approvals by Association Executive to indicate their acknowledgement of satisfactory receipt of the goods or services invoiced, agreement with all terms appearing on the vendor invoice, agreement with general ledger account coding, and agreement to pay vendor in full. Approvals shall be documented with stamp, initials, date and GL code.

### **Payment Discounts**

To the extent practical, it is the policy of NCAOR to take advantage of all prompt payment discounts offered by vendors. When availability of such discounts is noted, and all required documentation in support of payment is available, payments will be scheduled so as to take full advantage of the discounts.

### **Employee Expense Reports**

Reimbursements for travel expenses, business meals, or other approved costs will be made only upon the receipt of completed Expense Statement form or Check Request. All receipts should be attached, and necessary descriptive information noted on the form. Reimbursement checks for meeting travel will be disbursed upon receipt of a meeting report and associated expenses.

### **Reconciliation of A/P General Ledger**

At the end of each monthly accounting period, the total amount due to vendors per the accounts payable ledger shall be reconciled. All differences are investigated, and adjustments are made as necessary. The reconciliation and the results of the investigation of differences are reviewed and approved by the Association Executive and Bookkeeper.

Also, on a monthly basis, the A/P Assistant shall perform the following procedures:

1. Check all statements received for unprocessed invoices.
2. Check the Purchase Order Binder for open orders that are more than 30 days old and follow up.
3. Provide update to Association Executive if requested.

### **Management of Accounts Payable Vendor Master File**

Upon the receipt of an invoice from a new vendor that is not already in NCAOR's Accounts Payable Vendor Master File, the A/P Assistant shall mail or e-mail a Form W-9 and a request for completion of the Form W-9, including the vendor's full address and federal employer identification number.

For all vendors the file will include all of the following data:

1. Vendor's legal name
2. Street address (payments may be mailed to a P.O. Box, but a street address must be in the APVMF)

3. Federal employer identification number
4. Telephone number
5. Fax number
6. Contact name
7. Workers Compensation and General Liability Insurance where applicable

Payments shall not be made to any vendor where the file does not comply with the preceding requirements.

On an annual basis, vendors that have not been utilized over the preceding 2 years shall be purged from the master file. In addition, on an annual basis an audit of the file, as well as of payment histories made to each vendor shall be performed. This analysis, to be performed by the direction of the Association Executive and/Bookkeeper. The review shall consist of the following procedures, at a minimum:

1. Cross-checking of vendors with matching street or P.O. Box addresses
2. Review of payment histories for signs of repeat invoice numbers or other signs of duplicate payments

Any unexplained deviations or irregularities noted in connection with the preceding internal audit procedures shall be reported to the chair of the Audit Sub-Committee.

#### **408. CASH DISBURSEMENTS (CHECK-WRITING) POLICIES**

##### **Overview**

Cash and checks are the most liquid asset an Association has. Therefore, it is the objective of NCAOR to establish and follow the strongest possible internal controls in this area.

An Association's purchasing and check-writing policies and procedures should demonstrate sound internal controls designed to prevent or detect disbursements frauds attempted by either outside parties or employees. Segregation of duties is a key element of fraud prevention and detection. In that regard, at a minimum, the following characteristics should be demonstrated through the Association's policies:

1. Authorization of purchases performed by individuals who do not have check-writing and recording abilities
2. Receipt of supplies and other assets ordered from vendors by someone other than the individual who has final approval to pay the vendor
3. Check signing by individuals who do not have the ability to record disbursements in the journal or general ledger
4. Bank reconciliations performed by individuals who do not prepare, sign, or record purchases or disbursements

Even with these basic elements in place, there are other aspects of segregation of duties and other controls that should be considered, some of which are identified throughout these model policies. If preventive controls over check-writing cannot be as strong as one would like, the final step from the preceding list becomes even more important as a detective control. Having someone independent of the check preparation and signing process be the first person to open and review the bank statement and review all debits on the statement becomes the primary detective control in these situations. This concept is illustrated further later in this policy manual; however, users should keep these elements of segregation of duties in mind as they tailor these policies for their Associations.

##### **Check Preparation**

It is the policy of NCAOR to print vendor checks and expense reimbursement checks twice a month and as deemed necessary during quarter end and year end processing. Checks shall be prepared by the Accounting Assistant who is independent of those who initiate or approve expenditures, as well as those who are authorized check signers.

All vendor and expense reimbursement checks shall be produced in accordance with the following guidelines:

1. Expenditures must be supported in conformity with the purchasing, accounts payable, and travel and business entertainment policies.

2. Timing of disbursements should generally be made to take advantage of all early-payment discounts offered by vendors
3. Generally, all vendors shall be paid within 30 days of submitting a proper invoice upon delivery of the requested goods or services
4. Total cash requirements associated with each check run is monitored in conjunction with available cash balance in bank prior to the release of any checks
5. All supporting documentation is attached to the corresponding check prior to forwarding the entire package to an authorized check signer.
6. Checks shall be utilized in numerical order (It is the policy of this Association to keep unused check supplies safeguarded under lock and key).
7. Checks shall never be signed prior to being prepared
8. Upon the preparation of a check, vendor invoices and other supporting documentation should be marked with a "paid" in order to prevent subsequent reuse.

### **Check Signing**

Checks to vendors/third parties require two signatures. No checks shall be signed prior to the check being completed in its entirety (no signing of blank checks).

Check signers should examine all original supporting documentation to ensure that each item has been properly checked prior to signing a check. Checks should not be signed if supporting documentation appears to be missing or there are any questions about a disbursement.

### **Mailing of Checks**

After signature, checks are returned to the Accounting Assistant, who then mails checks immediately. Checks shall not be mailed by or returned to individuals who authorize expenditures unless approved by the Association Executive.

### **Voided Checks and Stop Payments**

Checks may be voided due to processing errors by making proper notations in the check register and defacing the check by clearly marking it as "VOID". All voided checks shall be retained and secured in a locked cabinet to aid in preparation of bank reconciliations.

Stop payment orders may be made for checks lost in the mail or other valid reasons. Stop payments are processed by telephone instruction and written authorization to the bank by the Accounting Manager provided they have authorization from the Association Executive. A journal entry is made to record the stop payment and any related bank fees. Associated bank fees may apply.

### **Stale Dated Checks**

The Association shall write-off checks over 6 months old in conjunction with year-end procedures if the checks in question do not exceed \$500 individually. When checks exceed this amount, contact with the payee will be initiated to resolve the issue. A Log of Written-Off Checks will be completed and made available for the end of the year review.

### **Record-Keeping Associated with Independent Contractors**

NCAOR shall obtain a completed Form W-9 or equivalent substitute documentation from all vendors to whom payments are made. The Association will evaluate criteria established by the IRS when assigning individual employee or independent contractor status. Individuals qualifying as independent contractors will sign an Independent Contractor Agreement and will be issued IRS Form 1099 if compensation is \$600 or more. A record shall be maintained of all vendors to whom a Form 1099 is required to be issued at year-end. Payments to such vendors shall be accumulated over the course of a calendar year.

## **409. TRAVEL AND BUSINESS ENTERTAINMENT**

### **Travel Expenses**

This policy shall be reviewed annually as part of drafting the annual budget. It is the policy of the Association to establish travel expense limitations and guidelines as follows:

The below paragraph applies to each section within section 409.

Reimbursements for travel expenses, business meals, or other approved costs will be made only upon the receipt of a properly approved and completed Association Expense Report form and associated report if required. The expense form must include a brief description of the 5 W's (who, what, when, where and why) and receipts attached.

#### **CAR Meeting Travel Reimbursement**

The Association shall annually budget to send the CAR Directors, President and the Association Executive, and other staff as appropriated (at the discretion of the BOD), to the CAR Business Meetings and the Annual Expo. CAR Directors please refer to Section 212 of this policy manual.

#### **NAR Meeting/Convention Travel**

The Association shall annually budget to send the President-Elect and Association Executive, and other staff (at the discretion of BOD) to the NAR Mid-Year Meeting and the Annual Convention. The Association shall annually budget to send the Association Executive and other staff (at the discretion of the BOD) to the NAR Association Executives Institute. Any NAR Directors, if minimal membership numbers are met, may be authorized at the discretion of the BOD to attend NAR Meetings and will be reimbursed per BOD directive by submitting original receipts and expense reports.

#### **Travel Arrangements**

NCAOR staff will book hotel accommodations and travel for any CAR or NAR events, if provided for in the annual budget or approved and appropriated by the Board of Directors. Otherwise the Director may be responsible for booking and paying for his/her own arrangements.

#### **Mileage & Parking**

Pre-authorized mileage will be reimbursed to Directors and Employees of the Association for automobile travel on official business of the Association and shall be at a rate established annually by the Internal Revenue Service. Reasonable parking will be reimbursed when traveling on behalf of the Association.

#### **Airfare**

Directors and Employees traveling to meetings by air will be booked through NCAOR staff unless otherwise authorized to book the most cost-effective means of travel within budgetary constraints. If the travel is not direct billed to the Association, original receipts ticketing vendor are necessary for reimbursement. Tickets must be purchased at least 14 days in advance of the travel. Under no circumstances will the Association provide airfare reimbursement greater than included in the annual budget unless expressly approved by the Association Executive Officer and/or BOD prior to the purchase. Changes in flights and associated expenses necessary for the upgrades are the responsibility of the individual unless otherwise authorized.

#### **Lodging**

Lodging facilities are reimbursed for the room and tax only for standard hotel rooms. Upgrades are the responsibility of the individual.

#### **Meals, Tips and Incidentals**

In the event that NCAOR Directors and Employees are required to travel with an overnight stay, on behalf of the Association, a per diem expenses amount stated in the IRS allowed per diem per day will be provided for meals, tips, and incidentals. Where travel was not included in the budget under per day per diem, expenses will be considered for reimbursement, provided receipts are submitted with expense report.

#### **Car rentals**

Car rentals will be reimbursed if approved in advance by the Association Executive. Employees should not request LDW coverage unless they have no insurance. Receipts are required.



### **Entertainment**

Maintaining relationships with various entities and individuals is critically important to advancing NCAOR's mission; the President and the Association Executive shall have the discretion to incur reasonable expenses in entertaining appropriate parties when and if necessary.

### **Travel**

The Association shall annually budget nominal funds for the President and Association Executive to travel for business purposes throughout the fiscal year for functions not necessarily budgeted and approved specifically within the annual budget. Those fund requests must be approved by the Executive Committee. A report to the Board of Directors must be made at the meeting immediately following use of the funds.

## **410. CASH AND CASH MANAGEMENT**

### **Cash Accounts - General Checking Accounts (operating accounts):**

The primary operating accounts provide for routine business check disbursements. All cash and credit card deposits, whether received at the NCAOR offices or through MAGIC or NRDS e-commerce, are made to these accounts. Cash transfers are done on an as needed basis to cover disbursements. Excess funds in these accounts are swept periodically and managed short and long term via the Association, Accounts Assistant and Bookkeeper as directed by the Finance Committee.

### **Payroll Account:**

The payroll account is separate from the operating account. Transfers from the operating account into the payroll account are currently placed under auto transfer. Any adjustments are initiated by a request from the Bookkeeper and Accounting Assistant and approved and processed by the Association Executive.

### **Authorized Signers**

Checks for disbursement on payables require two signatures. No checks shall be signed prior to the check being completed in its entirety (no signing of blank checks). Check signers may include the President, President-Elect, Treasurer, Secretary, Past President, Finance Chair and Association Executive.

Check signers should examine all original supporting documentation to ensure that each item has been properly checked prior to signing a check. Checks should not be signed if supporting documentation appears to be missing or there are any questions about a disbursement.

### **Bank Reconciliations**

Bank account statements are received each month and forwarded unopened to the Association Executive. This individual shall open the statement and review its contents for unusual or unexplained items. Unusual or unexplained items shall be reported to Bookkeeper, President and Finance Chair. After this review is complete, the entire bank statement is forwarded to the accounting department, where reconciliation between the bank balance and general ledger balance is prepared by the Accounting Manager, who is not an authorized check signer. It is the current practice of NCAOR to complete the bank reconciliation process within two weeks of receipt of each bank statement.

All bank reconciliations, including any adjusting journal entries resulting from preparing bank reconciliations, are reviewed by Bookkeeper and Association Executive on a monthly basis and may be by the CPA on a quarterly basis.

Bank reconciliations and copies of resulting journal entries are filed in the current year's accounting files.

### **Cash Flow Management**

The Association Executive and Bookkeeper perform account management and cash flow needs on generally on a weekly basis to eliminate idle funds and to ensure that payment obligations can be met. Cash transfers between accounts are performed on an as-needed basis.

### **Stale & Voided Checks**

It is the policy of NCAOR to write off checks of \$500 or less that are more than 6 months old that have not cleared the bank. For un-cashed checks that are more than 6 months old and that exceed \$500 contact will be made with the payee to resolve the issue. Unresolved stale dated checks, the amount and information, will be remitted periodically to the State of California pursuant to 'Unclaimed' property rules.

All stale checks that are written off within the same fiscal year as they were written shall be credited to the same expense or asset account that was debited when the check was written, or the expenditure incurred. For stale checks written off in fiscal years subsequent to the year in which the check was written, the credit shall be to miscellaneous income. It is also the policy of C.A.R. to comply with the California laws regarding unclaimed property. Accordingly, if uncashed checks are subject to a state reporting and transfer requirement, the Association shall file all appropriate forms and remit unclaimed property to the appropriate jurisdiction.

The Association will maintain a Voided Checks File for every check that has been voided, regardless of the reason. If the voided checks are physically available, they will be stamped "VOID" and filed with the Bank reconciliation for the appropriate month. If the voided checks are not physically available, the Association's copy of the bank's stop-payment order will be filed in a Stop-Payment File.

### **Petty Cash**

The Association will maintain a petty cash fund not to exceed \$150. It is the responsibility of the Association Executive and his/her designee, Accounting Assistant, to ensure that the petty cash fund is under lock and key at all times. Disbursements from the petty cash fund may only be made for approved expenditures. A receipt must accompany every disbursement. The receipt must be signed by the person receiving the cash and the person disbursing the cash and disbursement logged accordingly (9/11). The petty cash fund will be replenished as needed. The petty cash fund replenishment check will be made out for the amount equal to the amount of the receipts submitted. The expenses will be reviewed, and the resulting check will be signed by two authorized signors.

### **Account Transfers**

The Association Executive shall be the only NCAOR employee authorized to transact wire transfers from and within NCAOR bank accounts. Confirmations of all wire transfers are delivered to the Accounting office for Accounting Assistant recording in QuickBooks and Bookkeeper review.

## **411. INVENTORY**

### **Description of Inventory**

NCAOR maintains inventoried goods for resale.

### **Accounting for Inventory**

The Association will use the First-in, First-out (FIFO) method of inventory valuation. The unit cost will be computed by adding freight costs and insurance on shipping expenses to the actual cost of the inventory and dividing this dollar amount by the number of units purchased.

### **Physical Counts**

It is the policy of NCAOR to perform a physical count of NCAOR office/building inventory on a periodic basis. Any inventory items that appear damaged, obsolete or otherwise unable to be sold shall be excluded from the counts. A detailed record of the physical count shall be kept by the individuals involved in taking the inventory. At the conclusion of the physical count, the inventory count sheets shall be extended by applying the most recent unit costs to the physical quantities of each item on hand. \*\*\*\*\*It is recommended that the general ledger balance be adjusted to reflect the total inventory on hand as determined by the physical count.

## **412. PREPAID EXPENSES**

### **Accounting Treatment**

It is a practice of NCAOR to treat payments of expenses that have a time-sensitive future benefit on contracts as prepaid expenses. Prepaid expenses will be addressed during the annual budget review and approval process and approved by the BOD based on recommendations by Finance and contracted CPA.

### **Procedures**

As part of the account coding process performed during the processing of accounts payable, all incoming vendor invoices shall be reviewed for the existence of prepayments. The accounting department shall maintain a record of all prepaid expenses. The record shall indicate the amount and date paid, account balance and record of all invoices applied.

## **413. INVESTMENT POLICIES**

### **Introduction**

It is the policy of NCAOR to treat all assets of the Association, including those funds that are legally unrestricted, as though they are held by NCAOR in a fiduciary capacity for the purpose of accomplishing the Association's overall mission. As such, the policies described in this section are to be interpreted in light of that overall sense of stewardship, and the Investment Policies of NCAOR shall be those of a prudent investor. (See attached Investment Policy).

### **Delegation of Authority**

The Board of Directors of NCAOR has delegated supervisory authority over its investing activities to the Finance Committee. The Finance Committee is responsible for regularly reporting on the Association's investments to the full Board of Directors. The Finance Committee has been authorized by the Board of Directors to retain an Investment Consulting firm to assume a defined participation in our investment management function. In that regard, the Finance Committee may enter into agreement with, delegate investment authority, pay compensation to, and receive reports from the BOD authorized third party investment firm.

### **Investment Objectives**

The Association's investment overall objective is to earn an appropriate return on investments.

### **Procedures**

This investment policy shall be reviewed annually by the Finance Committee for any necessary revisions. Recommendations for any revisions or modifications will be made by the Finance Committee to be approved by the Executive Committee and/or the Board of Directors.

The following procedures will be used to determine the dollar amounts to be placed in each of the three investment funds:

### **Operating Fund Investments**

#### **Purpose:**

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

#### **Investment Objectives:**

The investment objectives of the Operating Fund are:

- Preservation of Capital
- Liquidity
- Optimization of investments within the guidelines of the policy

#### **Investment Guidelines:**

The Association Executive and Finance Chair shall, in conjunction with Investment firm representatives, prepare the following information for presentation at all meetings of the Finance Committee, Executive Committee or Board of Directors.

- Date acquired
- Method of acquisition (purchase or donation)
- Cost or basis at acquisition
- Description of investment
- Interest rate (if applicable)
- Date of maturity (if applicable)
- Holder/issuer of security
- Current market value
- Unrealized gain or loss

### **Short Term Investment Fund**

#### **Purpose:**

The purpose of the Short-Term Investment Fund is to meet the expenses occurring as the result of short-term unanticipated activities, to improve the return on funds held for expenditure over the next six months to one year and to manage investment risk.

#### **Investment Objectives:**

The investment objectives of the Short-Term Investment Fund are:

- Preservation of Capital
- Liquidity
- Optimization of investments within the guidelines of the policy

#### **Investment Guidelines:**

### **Long Term Investment Fund**

#### **Purpose:**

The purpose of the Long Term Investment Fund is to enhance the purchasing power of funds held for future expenditure and to maintain the financial stability of the association.

#### **Investment Objectives:**

The objectives of the Long Term Investment Fund represent a long term goal of maximizing the returns without exposure to undue risk. It should be understood that fluctuating rates of return are characteristic of the securities markets. The primary concern will be long term appreciation of the assets and consistency of total return.

#### **Investment Guidelines:**

The Association Executive and Finance Chair shall prepare the following information for presentation at all meetings of the Finance Committee, Executive Committee or Board of Directors.

- Date acquired
- Method of acquisition (purchase or donation)
- Cost or basis at acquisition
- Description of investment
- Interest rate (if applicable)
- Date of maturity (if applicable)
- Holder/issuer of security
- Current market value
- Unrealized gain or loss

### **Asset Allocation Guidelines**

To maximize the probability of achieving the portfolios balanced objective, in line with its risk parameters and tolerance for short-term volatility, the following asset allocation ranges are acceptable:

### **Accounting Treatment**

#### **414. PROPERTY AND EQUIPMENT**

##### **Capitalization Policy**

Physical assets acquired with unit costs in excess of \$250 are capitalized as property and equipment on the Association's financial statements. Items with unit costs below this threshold shall be expensed in the year purchased. Capitalized property and equipment additions are accounted for at their historical cost and all such assets, except land and certain works of art and historical treasures, are subject to depreciation over their estimated useful lives, as described later.

##### **Establishment and Maintenance of a Fixed Asset Listing**

All capitalized property and equipment shall be recorded in an inventory or fixed asset record. This log shall include the following information with respect to each asset:

1. Date of acquisition
2. Cost
3. Description (including color, model, and serial number)
4. Location of asset
5. Depreciation method
6. Estimated useful life

A physical inventory of all assets capitalized under the preceding policies will be taken on an annual basis by NCAOR. This physical inventory shall be reconciled to the property log and adjustments made as necessary. All adjustments resulting from this reconciliation will be approved by the Association Executive and reported to CPA, Finance and Board of Directors.

##### **Receipt of Newly-Purchased Equipment and Furniture**

At the time of arrival, all newly-purchased equipment and furniture shall be examined for obvious physical damage. If an asset appears damaged or is not in working order, it shall be returned to the vendor immediately. In addition, descriptions and quantities of assets per the packing slip or bill of lading shall be compared to the assets delivered. Discrepancies should be resolved with the vendor immediately. Tagging will occur upon cash disbursement.

##### **Depreciation and Useful Lives**

All capitalized assets are maintained in the special property and equipment account group and are not to be included as an operating expense. Property and equipment are depreciated over their estimated useful lives using the straight-line method. In the year of acquisition, depreciation is recorded based on the number of months the asset is in service, counting the month of acquisition as a full. Estimated useful lives of capitalized assets shall be determined by the Bookkeeper/CPA. The following is a list of the estimated useful lives of each category of fixed asset for depreciation purposes:

Furniture and fixtures	
General office equipment	5 yrs
Computer hardware and peripherals	3-5 yrs
Computer software	2-3 yrs
Leased assets	life of lease
Leasehold Improvements	remaining lease term

\*\*\*\*\*For accounting and interim financial reporting purposes, depreciation expense will be recorded on a quarterly basis.

##### **Changes in Estimated Useful Lives**

If it becomes apparent that the useful life of a capitalized asset will be less than the life originally established, an adjustment to the estimated useful life shall be made. All such changes in estimated useful lives of capitalized assets must be approved by the Association Executive.

##### **Repairs of Property and Equipment**

Expenditures to repair capitalized assets shall be expensed as incurred if the repairs do not materially add to the value of the property or materially prolong the estimated useful life of the property.

Expenditures to repair capitalized assets shall be capitalized if the repairs increase the value of property, prolong its estimated useful life, or adapt it to a new or different use. Such capitalized repair costs shall be depreciated over the remaining estimated useful life of the property. If the repairs significantly extend the estimated useful life of the property, the original cost of the property shall also be depreciated over its new, extended useful life.

#### **Dispositions of Property and Equipment**

In the event a non-expendable asset is sold, scrapped, donated or stolen, adjustments need to be made to the fixed asset listing and inventory log. If money is received for the asset, then the difference between the money received and the "book value" of the asset will be recorded as a loss if the money received is less than the book value and again if the money received is more than the book value. The Association Executive should approve the disposition, and one accounting employee shall be assigned to oversee all aspects of each Fixed Asset sale transaction.

#### **Write-Offs of Property and Equipment**

The Association Executive approves the disposal of all capitalized fixed assets that may be worn-out or obsolete. Property that is discovered to be missing or stolen will be reported immediately to the Association Executive. If not located, this property will be written off the books with the proper notation specifying the reason.

#### **Impairment Losses**

It is the policy of the Association to recognize an impairment loss in the statement of activities with respect to any property and equipment (or any other long-lived asset, including non-depreciable assets) whose carrying amount (net book value) possesses both of the following characteristics:

1. The amount is not recoverable and
2. The amount exceeds fair market value.

If only one of the preceding characteristics is present, an impairment loss will not be recorded. In determining whether a carrying amount is recoverable, all future cash inflows shall be considered, including cash flows from operations attributable to the asset, as well as cash flows from the sale of the asset. In cases in which no cash flows are directly attributable to an asset, the first characteristic is considered to have been met, and the determination of whether an impairment loss has been incurred will be based on the fair market value criterion. Impairments are distinguishable from changes in estimates resulting from a determination that a depreciable asset will be useful for a shorter period of time than the original. When an impairment loss is incurred, the loss is recognized in the statement of activities in the period of the loss and the carrying amount of the long-lived asset is adjusted downward to the revised amount. If the asset is a depreciable asset, this lesser amount shall then be used for purposes of calculating future depreciation or amortization expense.

#### **Leases**

The Association will record leases as either capital leases or operating leases in the financial records, based on appropriate qualification criteria. When an equipment lease is capitalized, the equipment is included among the fixed assets of the Association and depreciated accordingly. Payments for operating leases are considered expenses in the period the lease payment is made. The engaged CPA firm will gauge classification of the lease before the decision as to how to record the lease is made.

### **415. FINANCIAL STATEMENTS**

NCAOR's fiscal year shall be January 1 through December 31.

NCAOR shall maintain a chart of accounts. All management staff involved with accounting coding responsibilities or budgetary responsibilities will be issued a chart of accounts, and the chart of accounts must be updated regularly.

#### **Standard Financial Statements of the Association**

Preparing financial statements and communicating key financial information is a necessary and critical accounting function. Financial statements are management tools used in making decisions, in monitoring

the achievement of financial objectives, and as a standard method for providing information to interested parties external to the Association. Financial statements may reflect year-to-year historical comparisons or current year budget to actual comparisons.

The basic financial statements of the NCAOR that are maintained on an Association-wide basis shall include:

1. **Profit and Loss vs. Actual Statement** – Association's Financial Activity
2. **Balance Sheet** – Association assets
3. **Membership Count** – reflects member numbers associated with financials
5. **Annual Budget**

#### **Frequency of Preparation**

The objective of the accounting department is to prepare accurate financial statements in accordance with generally accepted accounting principles and distribute them in a timely manner. In meeting this responsibility, a basic set of financials is produced for Association Executive and Bookkeeping review on a monthly basis and standard set of financial statements described in the preceding section shall be produced on a quarterly basis, preferably by the 15th of the month following quarter end for Finance Committee and subsequent BOD review. The quarterly set of financial statements shall be prepared on cash basis method of accounting, including all receivables, accounts payable received and actual depreciation expense.

#### **Review and Distribution**

All financial statements and supporting schedules shall be reviewed and approved by the Association Executive prior to being issued by the Accounting Department. After approval, a complete set of quarterly financial statements shall be forwarded to the Finance Chair followed by distribution to:

- The Finance Committee

And after review to:

- Board of Directors

Financial statements may include an additional supplemental Excel spreadsheet report prepared by the Association Executive and accounting staff. The purpose of this schedule is to provide a year to date and year-end forecast.

#### **Budget Variance Analysis and Projections**

On a quarterly basis, the Association and appropriate staff shall review line items. Staff shall explain the reason(s) for year-to-date variances from budget greater for each line item, and provide actions that will be taken to minimize to eliminate unfavorable budget variances by year-end.

#### **Annual Financial Statements**

A formal presentation of the Association's annual financial statements shall be provided by the contracted CPA Independent Auditor to the following in this order: Association Executive, Finance Chair, Finance Committee and then the full Board of Directors.

The Association shall utilize the services of a CPA Firm for its annual review and periodic audit of the financial statements. The Association shall utilize the services of a CPA Firm for other consulting and budgetary needs as deemed appropriate by the Association Executive, Finance Committee and Board of Directors. The authority to distribute the statements to other individuals or firms requesting them will be left to the discretion of the Association Executive and Board of Directors.

The contract with the CPA firm should be reviewed every five to seven years and a recommendation made to the Board of Directors for final selection. Re-awarding the contract for accounting services to the existing firm is acceptable as long as the interview and selection criteria clearly indicate the firm is the most qualified and cost-effective.

## **416. GOVERNMENT TAX RETURNS**

### **Overview**

NCAOR must be aware of its tax and information return filing obligations and comply with all such requirements of federal, state and local jurisdictions.

### **Filing of Returns**

It is the policy of NCAOR. to become familiar with and to comply with all known filing requirements. The Association Executive, Bookkeeper and CPA shall be responsible for identifying all filing requirements and assuring that NCAOR follows all such requirements. It is also the policy of NCAOR to file complete and accurate returns with all authorities. NCAOR shall make all efforts to avoid filing misleading, inaccurate or incomplete returns. Filings made by NCAOR include, but are not limited to, the following:

- **Form 5500** - Annual return for NCAOR's employee benefit plans. Form 5500 is due July 31, but a request for extension of time to file may be filed.
- **W-2's and 1099's** - Annual report of employee and non-employee compensation, based on calendar-year compensation, on the cash basis. These information returns are due to employees and independent contractors by January 31 and to federal government by February 28.
- **Form 940** - Annual federal unemployment tax return filed with IRS, is due January 31.
- **Form 941** - Quarterly payroll tax return filed with IRS to report wages paid to employees and federal payroll taxes. Form 941 is due by the end of the month following the end of each quarter, or 10 days later if all payroll tax deposits have been made in a timely manner during the quarter.

All annual tax and information returns of NCAOR (Form 990, Form 990-T) are filed on the cash basis of reporting.

Federal and all applicable state payroll tax returns are prepared by the Association's external payroll administrator, Paychex.

It is the policy of NCAOR to comply with all state payroll tax requirements by withholding and remitting payroll taxes to the state of residency of each NCAOR employee.

### **Public Access to Information Returns**

Under regulations that became effective in 1999, NCAOR is subject to federal requirements to make the following forms available to the general public:

1. The three most recent annual federal form 990 information returns.
2. NCAOR's original application for recognition of its tax-exempt status, filed with IRS, and all accompanying schedules and attachments.

It is the practice of NCAOR to adhere to the following guidelines in order to comply with the preceding public disclosure requirements:

1. Anyone appearing in person at the offices of NCAOR during normal working hours making a request to inspect the forms will be granted access to a file copy of the forms. The Association Executive and Bookkeeper shall be responsible for maintaining this copy of each form and for making it available to all requesters.
2. For all written requests for copies of forms received by NCAOR, the Association shall require pre-payment of all copying and shipping charges. For requests for copies that are received without pre-payment, NCAOR will notify the requester of this policy via phone call or by letter within 7 days of receipt of the original request.
3. NCAOR may charge for providing copies of requested forms at the current association copy rate. All copies shall be shipped to requesters via UPS Ground Ship (shipping charges will be at the current standard shipment rate).
4. After payment is received by NCAOR, all requested copies shall be shipped to requesters within 30 days. Making of all copies and shipping within the 30-day time period shall be the responsibility of the accounting department.
5. For requests for copies made in person during normal business hours, copies shall be provided while the requester waits.



## **417. UNRELATED BUSINESS ACTIVITIES**

### **Identification and Classification**

It is the policy of NCAOR to properly identify and classify income-producing activities that are unrelated to the Association's tax-exempt purpose using the guidelines described in the Internal Revenue Code and underlying regulations. Such income accounts shall be segregated in separate accounts in the general ledger of NCAOR. in order to facilitate tracking and accumulation of unrelated trade or business activities.

### **Allocation of Expenses to Unrelated Activities**

In addition to segregating income associated with activities that are unrelated to NCAOR's exempt purpose, the Association's general ledger shall also provide accounts for expenses associated with each such unrelated activity. These expenses shall be offset against unrelated business revenue in arriving at unrelated business taxable income. Expenses that shall be offset against gross unrelated business income shall be limited to those expenses directly associated with the production of such income, including reasonable allocation of indirect costs that benefit each activity, in accordance with expense allocation policies described elsewhere in this manual.

### **Reporting**

It is the Policy of NCAOR to file IRS Form 990-T to report taxable income from unrelated trade or business activities. **Form 990-T is not subject to any public access or disclosure requirements.** Accordingly, it is the policy of C.A.R. not to distribute copies of Form 990-T to anyone other than management of the Association.

N.C.A.O.R. shall also report taxable income from unrelated trade or business activities that are subject to state or local income or franchise taxes on the appropriate return.

## **418. PLANNING & BUDGETING**

### **Overview**

Planning & Budgeting is an integral part of managing any Association in that it is concerned with the translation of Associational goals and objectives into financial and human resource terms. A budget should be designed and prepared to direct the most efficient and prudent use of the Association's financial and human resources. A budget is a management commitment of a plan for present and future Associational activities that will ensure survival. It provides an opportunity to examine the composition and viability of the Association's programs and activities simultaneously considering the available resources.

### **Preparation and Adoption(see ginger in regard to planning forms)**

It is the policy of NCAOR to prepare an annual budget on the accrual basis of accounting. To prepare the Association budget, the Association Executive shall gather proposed budget information and prepare the first draft of the budget. Committees are encouraged to submit anticipated budgets accompanied by a narrative explanation of the sources and uses of funds to substantiate consideration of requested budgeted items.

After appropriate revisions and a compilation of all department budgets by the Association Executive, a draft of the Association-wide budget, as well as individual department budgets, is presented to the Finance Chair for discussion, revision, and initial approval. The revised draft is then submitted to the Finance Committee for review, comments, and approval, and finally to the entire Board of Directors for the same.

It is the policy of NCAOR to adopt a final budget prior to the beginning of the Association's fiscal year.

### **Monitoring Performance**

It is the policy of NCAOR. to monitor its financial performance by comparing and analyzing actual results with budgeted results. This function shall be accomplished in conjunction with the monthly financial review and quarterly financial reporting process described earlier.

On a monthly basis, financial reports comparing actual year-to-date revenues and expenses with budgeted year-to-date amounts shall be produced by the accounting department and distributed to the Association Executive who will review and discuss significant variances with accounting staff.

### **Budget Modifications**

After a budget has been approved by the Board of Directors and adopted by the Association, reclassifications of budgeted expense amounts can be made by the Association Executive and Bookkeeper and then reported to the Finance Committee and the Board of Directors. Budget adjustments, if any, need to be reviewed and approved by the Finance Committee and Board of Directors via formal motion.

## **419. ASSOCIATION ANNUAL REVIEW PROCESS**

### **Role of the Independent Auditor**

It is the current practice of NCAOR to perform annual review audit of the Association's financial statements at fiscal year-end by an independent certified public accounting firm. The independent accounting firm contracted by NCAOR reports their findings directly with the Executives and Finance Committee upon the completion of their review. Audited financial statements, including the auditor's opinion thereon, will be submitted and presented to the Board of Directors by the independent accounting following the review.

### **How Often to Review the Selection of the Auditor**

NCAOR shall review the selection of its independent auditor in the following circumstances:

- Anytime there is dissatisfaction with the service of the current firm
- When a fresh perspective and new ideas are desired
- Recommended every 5 years to 7 years
  - Association Executive, with the assistance of staff, Executives and the Finance Committee, will interview CPA firms specializing in work for not-for-profit Associations and make a recommendation to the Board of Directors for final selection. Re-awarding the contract for accounting services to the existing firm is acceptable as long as the interview and selection criteria clearly indicate the firm is the most qualified and cost-effective.

### **Selecting an Auditor**

The following factors shall be considered by NCAOR in selecting an accounting firm:

- The firm's reputation in the nonprofit community
- The depth of the firm's understanding of and experience with not-for-profit and like trade Associations.
- The firm's demonstrated ability to provide the services requested in a timely manner
- The ability of firm personnel to communicate with Association personnel in a professional and congenial manner
- Issue a written Request for Proposal (RFP) to be sent to prospective audit firms. Information to be included:
  - Period of services required
  - Type of contract to be awarded (fixed fee, cost basis, etc.)
  - Complete description of the services requested (audit, management letter, tax returns, etc.)
  - Identification of meetings requiring their attendance, such as staff or Board of Director meetings
  - Association chart of NCAOR
  - Chart of account information
  - Financial information about the Association
  - Copy of prior year reports
  - Other information considered appropriate
  - Description of proposal and format requirements
  - Due date of proposals
  - Overview of selection process (i.e. whether finalists will be interviewed, when a decision shall be made, etc.)

- Identification of criteria for selection

Minimum Proposal Requirements from prospective CPA firms should be:

- Firm background
- Biographical information (resumes) of key firm member who will serve NCAOR
- Client references
- Information about the firm's capabilities
- Firm's approach to performing an audit
- Copy of the firm's most recent quality/peer review report, including any accompanying letter of findings
- Other resources available with the firm
- Expected timing and completion of the audit
- Expected delivery of reports
- Cost estimate including estimated number of hours per staff member
- Rate per hour for each auditor
- Other information as appropriate

In order to narrow down the proposals to the top selections, the Association Executive and designated Finance Committee members shall meet with the prospective engagement teams from each proposing firm to discuss their proposal. Copies of all proposals shall be forwarded to each member of the Audit Sub-Committee. After the Association Executive and designees narrow down the field of prospective auditors, final interviews of each firm are conducted by the Finance or Executive Committee, an Audit Sub-Committee, who makes the final recommendation to the Board of Directors for approval.

#### **Preparation for the Annual Review**

NCAOR staff will be actively involved in planning for and assisting with the Association's independent accounting firm in order to ensure a smooth and timely audit of its financial statements. An Audit and Tax Four Column Checklist will be used.

The columns will be:

1. Items Needed During Fieldwork for NCAOR
2. Due Date
3. Responsible Person
4. Completion Date.

#### **Concluding the Review or periodic**

##### **Audit**

Upon receipt of a draft of the audited financial statements of NCAOR from its independent auditor, the Association Executive and leadership will perform a review of the draft. Any questions or errors noted as part of this review shall be communicated to the independent auditor in a timely manner and resolved to the satisfaction of the Association Executive. Also, the Association Executive will review and respond in writing to all management letter comments.

#### **Finance Audit Sub-Committee Responsibilities**

##### **Mission**

Along with management, the mission of the Audit Sub-Committee is to oversee the integrity of the Association's financial accounting process and systems of internal controls regarding finance, accounting and use of assets. The Audit Sub-Committee should take an active role in the prevention and deterrence of fraud, as well as an effective ethics and compliance program.

##### **Structure**

The subcommittee shall be composed of members appointed by the President, subject to ratification by the Board of Directors.

##### **Objectives**

Along with management, to address and resolve any external auditor Management Letter Comments;  
To communicate with external auditors on the resolution of those items, or any other items of significance related to the Association's financial policies, accounting processes, internal controls and use of assets;  
To provide oversight to senior management on matters related to finance policies, accounting procedures, and systems, use of assets and internal controls;  
To assist with finance policy development.

### **Strategies**

- Meet quarterly; last month of each quarter.
- Meet with Outside Auditors on an annual basis.
- Review (discuss & question) financial policies.
- Review (discuss & question) planning and budgeting processes.

## **420. INSURANCE**

### **Overview**

It is fiscally prudent to have an active risk management program that includes a comprehensive insurance package. This will ensure the viability and continued operations of NCAOR. It is the policy of NCAOR to maintain adequate insurance against general liability, as well as coverage for buildings, contents, computers, fine arts, equipment, machinery and other items of value.

### **Coverage Guidelines**

As a guideline, NCAOR. will arrange for the following types and levels of insurance as a minimum:

### **LIABILITY and DEFENSE EXPENSE**

DEFENSE EXPENSE ONLY for the following:

- Lock Box
- Anti-Trust
- Discrimination
- Sexual Harassment
- Employment Practices
- Trademark & Copyright Infringement – Multiple Listing Services
- Dispute Resolution System
- Breach of Contract

EMPLOYMENT PRACTICES LIABILITY COVERAGE provides Associations with LIABILITY COVERAGE for costs relating to settlements or judgments for employment practices claims against the Association, Directors, Officers or staff arising from:

- Hiring
- Firing
- Compensation
- Employee Privileges
- Other Terms of Employment

### **Type of Coverage**

Comprehensive Liability  
Automobiles for Employees,  
Volunteers, or Escorts  
Employee dishonesty/bonding  
Fire and Water Damage  
Directors and Officers  
Theft  
Workers' Compensation  
MAR E&O/D&O Coverage  
MLS

## 421. RECORD RETENTION

### Proposed Policy

It is the policy of NCAOR to retain records as required by law. The financial records of the Association will be kept as dictated by the Association's Record Retention Policy listed below:

Corporate	
Certificate of Incorporation	Permanent
Charter	Permanent
Minutes of Meeting	Permanent
IRS Letter of Determination of Exempt Status	Permanent
Correspondence	
General	2 years
Legal	Permanent
General Ledger and Books of Original Entry	
General Ledger	Permanent
Journal Entries	Permanent
Cash Receipt Book	Permanent
Cash Disbursement Check Register	Permanent
Accounting	
Bank Statements and Cancelled Checks	3 years
Print Contracts	7 years
Petty Cash Payments	3 years
Employee Travel and Expense Reports	7 years
Expense Bills	7 years
Employee Applications	3 Years
Financial Reports	
Financial Statements Certified by CPA's	Permanent
Monthly Financial Statements	4 years
Insurance	
Policies and declarations	3 years following expirations
Group Insurance Reports	3 years following expirations
Membership	
Applications	3 years
Property (Tangibles and Intangibles)	
Fixed Assets Additions, Depreciation, etc.	Permanent until disposed
Contracts	
Contracts and Agreements (after conclusion)	7 years
Leases (after conclusion)	7 years
Tax Returns other than Payroll	
Federal Income Tax Return & Work papers	Permanent
State Income Tax Return & Work papers	Permanent
Sales and Miscellaneous Tax Returns	Permanent
Payroll Reports and Records	
Employment History	7 years
Individual Employee Records (after termination)	7 years
Payroll Register	7 years
Time Cards and Sheets	7 years
Unclaimed Wages (given to State after 3 yrs)	3 years
Cancelled Payroll Checks	7 years
Payroll Tax Returns	7 years
Withholding Tax Statements (W-2's)	7 years
Pension and Profit Sharing	
Pension and Other Funded Plans Deferring	Permanent

Compensation	7 years
Pension Reports to Government (after filing return)	7 years
Professional Standards	
Case Files	3 years
Decisions	Permanent
Purchasing	
Bids	7 years
Capitol Equipment	7 years
Routine Items	7 years
RPAC Records	3 years
Sales	
Sales Orders	7 years
Shipping Records	7 years
Accident Reports	7 Years

## SECTION 5: GENERAL POLICIES

### 501. DIVERSITY POLICY

The Nevada County Association of REALTORS® (NCAOR) actively promotes and supports an industry and work environment which promotes social justice, mutual respect, understanding, civility and non-violence. NCAOR is committed to providing equal professional service without regard to the race, color, religion, sex, handicap, familial status, national origin or sexual orientation of any existing or prospective member.

Further, NCAOR will actively promote a culturally diverse real estate environment in the Western Nevada County by:

1. Promoting fair housing "best practices" and training among member offices.
2. Promoting fair housing and diversity to the public through building appropriate coalitions and other activities.
3. Promoting NAR's Cultural Diversity and Fair Housing programs and strategies to the membership.
4. Increasing the relevance of NCAOR and its members in minority communities.
5. Working with NAR and CAR in addressing the business and political issues faced by minority members
6. Encouraging the increase of diversity in the real estate workplace.
7. Expanding diversity in Association leadership.
8. Providing diversity training and promoting diversity planning among member offices.
9. By working with NAR and CAR, in developing and advocating fair housing policy.

### 502. CONFLICT OF INTEREST POLICY

Directors and staff will review and sign a "Code of Conduct and Confidentiality" policy, to be maintained on file, not less than annually in conjunction with the start of the Association's fiscal year.

### 503. EMPLOYEE AND MEMBER/VOLUNTEER RELATIONS

The Nevada County Association of REALTORS® establishes the following NCAOR Employee and Member/Volunteer Relations policy in order to promote a cordial, pleasant and legally compliant working environment between NCAOR employees and its' members.

Since NCAOR is a member services organization with revolving tenancies in the Board of Directors and NCAOR Committees, this policy is established to preserve continuity of authority and responsibility within the work environment.

### **Policies, Programs and Services**

1. The Board of Directors shall establish the scope of NCAOR policies, programs and services. NCAOR staff is responsible to carry out the policies, programs and services established by the Board of Directors.
2. No member shall be provided with services beyond the scope of services provided to all members. Any request by a member for services outside the scope of an employee's authorization must be forwarded to the Association Executive. This request must contain information on the unique circumstances of the situation, which prompted the member to request that extraordinary measures be considered for their benefit. The Association Executive may then determine if an exception should be made, with input from the appropriate NCAOR officer, or if the request should be brought to the attention of the Board of Directors for resolution.

### **Committee Support**

1. A NCAOR employee should render all possible technical and administrative assistance to the committees and ad hoc work groups to which he/she is assigned yet should never assume the committee's prerogative. The NCAOR employee is involved so as to answer questions, offer suggestions or raise questions, when appropriate, and to conduct research or carry out tasks as assigned by the committee chairman.
2. A NCAOR employee is expected to be knowledgeable on NCAOR policy, committee scope and the subject under discussion.

### **Staff & Member/Volunteer Relations**

1. The Association Executive is responsible to and takes his/her instructions from the Board of Directors (as a collective body). All other NCAOR employees are responsible to and take instruction from the Association Executive.
2. Interaction between NCAOR employees and members/volunteers shall be maintained at a professional level characterized by mutual respect, courtesy, effort and cooperation to resolve issues. Under no circumstance should NCAOR employees or members/volunteers engage in discourteous or unprofessional behavior (i.e. use of profanity, disparagement of another employee or member, use of physical force, etc.).
3. Any behavior by a member/volunteer, which interferes with or compromises a NCAOR employee's job performance or satisfaction, is not acceptable. A NCAOR employee may, at their sole discretion, terminate any conversation with a member/volunteer that is considered to be offensive. All such incidents should be reported to the Association Executive or President for appropriate action.
4. Members/volunteers are not responsible for and may not discipline a NCAOR employee. Any unprofessional behavior or unacceptable performance by a NCAOR employee, which is observed by a member/volunteer, should be reported to the Association Executive or President for appropriate action.

### **504. HARASSMENT POLICY**

The Nevada County Association of REALTORS® is committed to maintaining a productive work environment that is free from discriminatory, harassing, or disruptive activity. In keeping with this commitment, we will not accept unlawful harassment of any Association employee, male or female, by anyone, including any Supervisor, fellow employee, visitor, member, vendor, or client of the Association. We also will not tolerate unlawful harassment committed by any Association employee against anyone, including any Supervisor, fellow employee, member, visitor, vendor, or client of the Association.

Harassment consists of unwelcome conduct, whether verbal, physical, or visual, that is based on a person's protected status, such as race, color, religion, ancestry, national origin, citizenship status, age, sex, sexual orientation, marital status, disability, veteran's status, or other protected group status as defined by applicable Federal, State or Local laws and regulations. The Association will not tolerate harassing conduct that affects tangible job benefits, that interferes unreasonably with an individual's work performance, or that creates an intimidating, hostile, or offensive working environment.

Sexual harassment deserves special mention. Unwelcome sexual advances, requests for sexual favors, and other physical, verbal, or visual conduct based on sex may constitute sexual harassment when:

1. Submission to the conduct is an explicit or implicit term or condition of employment,
2. or submission to or rejection of the conduct is used as the basis for an employment decision,
3. or the conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

The Association has established complaint procedures for any member or employee who believes he/she has suffered sexual harassment by any other employee, guest or member of the Association. Please contact the Association Executive for more information.

The Association urges and encourages that a member or employee immediately report any suspected impropriety or discrimination. Obviously, The Association has limited ability to rectify any situation or address a problem if complaints are not timely filed. The Association recognizes that reporting the situation to an immediate supervisor may be inappropriate or difficult; thus, the Association Executive will always be willing to handle any complaint or allegation. Any and all reports of this nature will be treated confidentially and with the utmost sensitivity.

#### **505. OPEN/CLOSED MEETING POLICY**

The policy of the Association is clear. Unless there are exceptional reasons for confidentiality, all meetings of the Association are open to any members. The following committees are authorized to conduct closed meetings: Board of Directors, Executive Committee, Finance Committee, Of the Year Awards Committee, Nominations Committee, Grievance Committee and Professional Standards session.

Guests are not invited to participate in any discussions unless called upon to attend a public comments session.

#### **506. SMOKING POLICY**

It is the policy of the Association that smoking of any kind will not be allowed in the Association offices. Smoking is permitted outside in the covered areas. Smokers are asked to dispose of their cigarette butts in an appropriate manner.

#### **507. COMMUNICATION POLICY**

##### **Volunteer Leadership Response to Member Inquiries and Concerns**

In the course of a volunteer leader's activities with the Nevada County Association of REALTORS®, it is likely that members shall contact them with questions, complaints, comments or concerns, related to the Association. In order to most effectively respond, all such inquiries should be handled as follows:

- A. Initial inquiry will be referred to the Association Executive for action/resolution.
- B. The most "senior" volunteer leader should be the only one responding (i.e. the President, or the Committee Chair). Such response by the volunteer should be:
  - Limited to acknowledgement of inquiry, noting that it has been forwarded to NCAOR staff for investigation and response.
  - Response should thank them and be neutral in tone.
- C. Upon investigation and resolution, NCAOR staff will notify all parties who were included in the initial communications of the status of resolution

#### **508. ADVERTISING & SPONSORSHIP POLICY**

All advertising and sponsorship activities must be processed through the Association's staff and Board of *Directors*. Staff, Chairs, Directors and committee members may not unilaterally commit the association to these activities.



## **SECTION 6: APPENDICES - OTHER DOCUMENTS/POLICIES (Separate items)**

- 601. Articles of Incorporation**
- 602. NCAOR Bylaws**
- 603. Code of Ethics & Citation Schedule**
- 604. MLS Rules and Regulations, Policies & Fine Schedule**
- 605. IDX/VOW Policy**
- 606. LCRC Governing Documents**
- 607. Investment Policy**
- 608. NCAOR Employee Manual**
- 609. NCAOR General Office Procedures**
- 610. Charitable Foundation**
  - A. Articles of Incorporation**
  - B. Bylaws**