



RRAR Financial Policy

Dues Collection and Billing

Annual Local, State and National Association's REALTOR® dues will be billed in the first full week of October for the following year. Dues are payable on or before November 15. Annual dues received after November 15th will be assessed a late fee of \$25 per individual member.

If dues, or other assessments including amounts owed to the Association, are not paid within one (1) month after the due date the nonpaying Member is subject to suspension at the discretion of the Board of Directors. Two (2) months after the due date, membership of the nonpaying Member may be terminated at the discretion of the Board of Directors. Three (3) months after the due date, membership of the nonpaying Member shall automatically terminate unless within that time the amount due is paid. Such Members may reapply after making payment in full of all account dues and fees as of the date of termination. The former member must reapply in the manner prescribed for new members.

Dues shall be waived for active duty military personnel upon request by the member or his/her Designated REALTOR®. Such requests will also be forwarded for state and national dues waivers in accordance with the policies of those Associations.

Late Payment Penalty

If dues, fees, fines, or other assessments including amounts owed to the Association are not paid within one (1) month after the due date the nonpaying Member is subject to suspension at the discretion of the Board of Directors. Two (2) months after the due date, membership of the nonpaying Member may be terminated at the discretion of the Board of Directors. Three (3) months after the due date, membership of the nonpaying Member shall automatically terminate unless within that time the amount due is paid. However, no action shall be taken to suspend or expel a Member for nonpayment of disputed amounts until the accuracy of the amount owed has been confirmed by the Board of Directors. A former Member who has had his membership terminated for nonpayment of dues, fees, fines, or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of other Rules and Regulations of the Association or any of its services, departments, divisions or subsidiaries may apply for reinstatement in a manner prescribed for new applicants for membership, after making payment in full of all accounts due as of the date of termination.

MLS Service Fees, Fines and Collections

MLS Service Fees and Fines are billed and collected in accordance with the policy set forth in the MLS Rules and Regulations.

A late fee of \$25 will be assessed for payment received after the 1st day of the calendar quarter for MLS Fees per individual Participants and/or Subscribers.

Returned check procedures

The Association will collect the maximum fee allowed by law for each returned check received by the Association. Any member who has two checks returned for Non-Sufficient Funds in a twelve (12) month period must pay by cash or other secured fund payment for a period of one year.

Refunds

Refunds shall not be issued for dues, fees, or other assessments when a member retires/escrows their professional license after the payment due date.

Refunds will not be issued for cancellations made after an event's date as this may cause a negative financial impact on the Association, and by extension its collective members, except in the case that a program is rescheduled to an alternate date or time.



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Charitable Giving

The Association collects funds through quarterly MLS billing for the REALTOR® Window of Opportunity Program. The billing statements include a voluntary \$5/ quarter or \$20/year contribution. Monies collected will be divided equally and distributed to the Obion County and Weakley County chapters of Habitat for Humanity

Required Reserves

All reserve monies may be invested into FDIC Insured, CD's, Money Market Account, or any other low risk investments as approved by the Board of Directors.

Withdrawals from RRAR reserves must be reviewed and approved by the Board of Directors.

In accordance with accepted Association practices (ASAE, NAR, etc.) of maintaining reserves for emergency operation (Emergency Management Reserves) and major expenditures (Major Expenditure Reserves), the Association will maintain Reserves of such an amount that will sustain the Association for three (3) months, or twenty five percent (25%) of annual budget, following a natural or other disaster. The Association will maintain Major Expenditure Reserves of such amount that major expenditures can be anticipated and financed on a regular schedule. All reserves should be in a liquid form.

Budget Process

The Association's annual budget process will be conducted annually beginning in third quarter of the calendar year by the Association Executive. All budget requests or needs should be presented to the Association Executive by June 15 for the following year's budget. The annual budget process should include a review of all income and expenses, as well as: insurance policies, reserve funds, capital needs, and staff salary. A review of all policy manuals for changes, which may affect the budget, should be part of the budget process. The annual budget will be ready for approval by the Board's September meeting.

The Association Executive distributes monthly reports to the board of directors in advance of each meeting via electronic means. A copy of the Treasurer's Report is included in meeting packets.

Association Financial Audits

The Association will have an annual review by a Certified Public Accountant (CPA). At the recommendation of the Board, the Association will conduct a full audit by a CPA. The board may also recommend an audit following changes in key staff.

Internal Accounting Policy

The Association maintains internal accounting procedures in accordance with accepted standard accounting policies to safeguard the financial assets and integrity of the Association. These procedures will be reviewed and updated as recommended by the Association accountant.

Bank statements, computerized bookkeeping records, paper records of payables, reconciliation reports and any and all related items will be available for review by the Treasurer and audit committee at any time. Voided checks will be retained and made available for review. No checks will be issued made payable to "CASH."

Check Signatures

Authorized signors for RRAR's checks will be determined annually by the Board of Directors.

No signature stamps will be utilized.

No blank checks will be signed.

Bank Deposit Policy

Bank deposits will be made daily at all times possible, in person. Drop boxes are not utilized. For deposit only stamps will be used on all non-cash receipts.



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Bank Statement Reconciliation

All Bank statements will be reconciled within 7 days of receipt by the Executive Officer. Bank statements, computerized bookkeeping records, paper records of payables, reconciliation reports and any and all related items will be available for review by the Treasurer and audit committee at any time.

Document Signatures

Documents such as Insurance Policies, and Contracts may be signed by the President and/or the Executive Officer.

Insurance

The Association will maintain at all times adequate insurance to cover all assets as well as liability, and other policies as recommended by Association insurance agent. In addition, the Association will maintain Errors and Omissions (E&O) Coverage for all Directors, in accordance with standard Association practice.

Compensation

Staff wages are determined by the Board of Directors. Employees are paid on a monthly basis on the last day of each month.

Wages including bonuses are submitted to the Association's accountant for preparation of IRS Form W2 for each employee on an annual basis.

Travel – Officer/Director

The Elected and Appointed Leadership of the Association authorized to travel are established annually in conjunction with the development of the travel budget. All approved registrations and reservations will be processed by or in conjunction with the Association Office. Additional or replacement attendees are authorized solely at the discretion of the Board of Directors and upon review of the budget allowances.

A Per Diem of \$75.00/day will be paid based on the approved travel budget. Reimbursement shall be contingent upon attendance at all required meetings for the trip.

At some time those individuals who have submitted for reimbursement through the Association may be asked by the membership to justify the travel and reimbursement costs reported.

Travel – Staff

Staff of the Association authorized to travel is established annually in conjunction with the development of the travel budget. Additional travel required for professional development is authorized solely at the discretion of the Board of Directors and upon review of the budget allowances. Staff is to turn in completed expense forms within 15 calendar days of the end of the event. Failure to comply with this policy will result in the authorization of payment to be reviewed by the Executive Committee.



RRAR Record Retention Policy

The following are the Record Retention Policies of the Reelfoot Regional Association of REALTORS®, from henceforth known as the Association. As new policies are created, or existing ones are abolished or modified, they will be presented to the Board of Directors for review, approval or disapproval. These policies will then be modified accordingly.

Policy 1- Record Retention Policy

It is the policy of the Reelfoot Regional Association of REALTORS® to maintain complete, accurate and high-quality records. Records are to be retained for the period of their immediate use, unless longer retention is required for historical reference, contractual, legal or regulatory requirements or for other purposes. Records that are no longer required, or have satisfied their required periods of retention, shall be destroyed.

No officer, director, employee, volunteer or agent of the Association shall knowingly destroy a document with the intent to obstruct or influence the investigation or proper administration of any matter within the jurisdiction of any government department or agency or in relation to or contemplation of any such matter or case. This policy covers all records and documents of the Association. The Association reserves the right to amend, alter and terminate this policy at any time and for any reason.

The Association Executive shall be responsible for administering this policy. As part of this role, the Association Executive, or his/her staff designee, in consultation with legal counsel, shall ensure that Association documents and records retained by officers, directors, employees, volunteers or agents are stored or destroyed in a manner consistent with this policy.

POLICY 2 – Document Retention Schedule

(Documents will be destroyed when they have satisfied their required period of retention)

Accounting Records

Accounts Payable and Receivable	7 Years
Annual Financial Statements	Indefinitely
Bank Statements	7 Years
Accounting Correspondence: Routine	4 Years
Deeds and Closing Papers	Indefinitely
Deposit Slips	4 Years
Employee Expense Reports	7 Years
Income Tax Returns	Indefinitely
Inventory Count and Closing Sheets	7 Years
Insurance Policies	4 Years after Expiration
Investments	7 Years after Disposal
Payroll Journals and Ledgers	Indefinitely
Purchase Orders (except A/P copy)	1 Year
Purchase Invoices and Orders	7 Years
Receiving Sheets	2 Years

Association Corporate Records

Articles of Incorporation and Amendments	Indefinitely
Bylaws and Amendments	Indefinitely
Corporate Filings	Indefinitely
Corporate Minute Book	Indefinitely
IRS Exemption Letter	Indefinitely

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Employment Records

Documents Relation to Recruitment <i>** (advertising, employment agencies, interviewing, testing, hiring, training, demotions, promotions, layoffs, discharges, etc.)</i>	1 Year
Employee Benefit Plan Documents	Duration of Plan
Garnishments/Wage Assignments	3 Years
Immigration I-9 Forms	1 Year After Termination
Payroll Records Including Personal Info	3 Years
Personnel Records	10 Years After Termination

Legal Documents

Contracts	10 Years After Expiration
License Applications	1 Year After Expiration
Licenses	1 Year After Expiration
Trademarks, Patents and Copyrights and Guarantees	Indefinitely Warranties 2 Years Beyond Term
Legal Correspondence	Indefinitely

NAR/Association Documents

NAR Charter	Indefinitely
Territorial Jurisdiction	Indefinitely
REALTOR® Agreement	Until Superseded
Member File and Application	2 Years After Termination
Professional Standards Policies	5 Years
Professional Standards Hearings Results	Indefinitely
Professional Standards Hearings File	1 Year After Satisfaction of Sanction <i>Provided There is No Threat of Litigation</i> Arbitration/Mediation 1 Year After Payment of Award <i>Provided There is No Threat of Litigation</i>

RRAR Conflict of Interest Policy

The following is the Conflict of Interest Policy of the Reelfoot Regional Association of REALTORS®, Inc. henceforth referred to as the "Association." The purpose of this policy is to protect the Association's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Association, or might result in a possible excess benefit transaction. This policy is intended to supplement, not replace, any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Policy 1 – Conflict of Interest

Definitions

- a. Interested Person: Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
- b. Financial Interest: A person has a financial interest if the person has, directly or indirectly, through business, investment or family:
 1. An ownership or investment interest in any entity with which the Association has a transaction or arrangement,
 2. A compensation arrangement with the Association or with any entity or individual with which the Association has a transaction or arrangement, or
 3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Association is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not substantial.

A financial interest is not necessarily a conflict of interest. Under Section B, b, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Procedures

- a. Duty to Disclose: In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.
- b. Determining Whether a Conflict of Interest Exists: After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.
- c. Procedures for Addressing the Conflict of Interest:
 1. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and subsequent vote on, the transaction or arrangement involving the possible conflict of interest.
 2. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
 3. After exercising due diligence, the governing board or committee shall determine whether the Association can obtain with reasonable efforts a more advantageous

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transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

4. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors or committee members whether the transaction or arrangement is in the Association's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

d. Violations of the Conflict of Interest Policy:

1. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

2. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

(C) Records of Proceedings

The minutes of the governing board and all committees with board delegated powers shall contain:

1. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

(D) Compensation

a. A voting member of the governing board who receives compensation, directly or indirectly, from the Association for services is precluded from voting on matters pertaining to that member's compensation.

b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Association for services is precluded from voting on matters pertaining to that member's compensation.

c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Association, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

(E) Annual Statements

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

1. Has received a copy of the conflicts of interest policy,
2. Has read and understands the policy,
3. Has agreed to comply with the policy, and

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(F) Periodic Reviews

To ensure the Association operates in a manner consistent with its purposes, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

1. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
2. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Association's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further its purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

(G) Use of Outside Experts

When conducting periodic reviews as provided for in Section F, the Association may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

Policy 2 – Nepotism

The Association strictly prohibits nepotism. No Association director, member or employee shall hire, advocate the hiring of, or cause to be hired or employed in any capacity, any blood or marital relative.

(A) Definitions

- a. Nepotism: The hiring and/or showing of favoritism toward relatives.
- b. Employed in Any Capacity: Any financially compensated post or work of any type.
- c. Relative: Any person who is related within the fourth degree, either by consanguinity or by affinity. Specifically, this shall mean an individual who is related as father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, step-father, step-mother, step-son, step-daughter, step-brother, step-sister, half-brother or half-sister and include persons related by adoption or birth.

(B) Procedure

- a. Any director, member or employee who believes that this policy has been violated in any manner shall notify the Chief Staff Executive and the Board of Directors. Upon notification, the situation shall be entered under new business at the next meeting of the Board of Directors.
- b. If the policy has been violated, the person hired in violation of the policy shall be terminated immediately. If the hiring person or the proposed hiring of a person would violate this policy, then a two-thirds vote of the Board of Directors will decide whether such person may be employed.

This policy shall not apply retroactively and shall take effect upon approval of the Board of Directors.