



**POLICY MANUAL  
Of  
SIOR (SOCIETY OF INDUSTRIAL AND OFFICE REALTORS®)**

The following policy document relates to the Bylaws of SIOR.

ALL ITEMS CONTAINED IN THIS DOCUMENT ARE AS BINDING ON SIOR MEMBERS AS THE  
BYLAWS THEMSELVES.

*(Note: This document can be amended only by a majority vote of the SIOR Board of Directors at a  
quorum meeting.)*

5.27.2016

*This version supersedes all previous versions of the Manual.*

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## SECTION 1.

### MEMBERSHIP CATEGORIES AND REQUIREMENTS

#### 1.1. MEMBERSHIP (SIOR DESIGNATION) & REQUIREMENTS

Membership with the SIOR designation is available to all practitioners who participate in a broad range of transaction services (to include brokerage, corporate services, owned properties, and project leasing). Transaction services are defined as the representation, for a commission or fee of one or more parties to a transaction involving a sale, lease, exchange, easement, or other similar transfer of rights and/or interests in any commercial property in which the agent or service provider (individually or through any entity, familial relationship, or other legally recognized vehicle) has no undisclosed interest or identity. Professionals paid by fees or salaries rather than by commission may qualify for Membership.

##### A. Licensing Requirements

Applicants for Membership must be licensed by their resident jurisdiction's real estate authority (if licensing exists).

##### B. Experience Requirements

Applicants must be full-time commercial practitioners and must document at least five (5) years of active engagement in the commercial real estate field. Applicants will declare their specialty (Industrial, Office, Industrial & Office, Sales Management, Advisory, and Executive Management) on the application.

- Industrial Specialist, Office Specialist, and Industrial & Office (Dual) Specialist applicants must document at least five (5) years of active engagement in commercial real estate. For the purposes of this document, the above three (3) specialties will collectively be referred to as Transaction Specialists.
- Sales Manager Specialist applicants must document at least five (5) years of active engagement in managing at least ten (10) sales or leasing agents.
- Advisory Specialist applicants must document at least five (5) years of active engagement as a consultant or as an advisory practitioner providing qualified fee-based service involving commercial real estate for a period of at least five (5) years.
- Executive Management Specialist applicants must document at least five (5) years in managing commercial real estate services and manage at least 100 commercial brokers/agents in at least three (3) office locations. In lieu of hands-on management experience, Executive Management Specialist applicants who are with commercial real estate networks must document at least five (5) years of experience in a commercial real estate executive position and must have oversight responsibilities within the network.

## Applicants from Outside the United States, Canada or Mexico

Membership in SIOR is open to any individual whose business address is located outside the United States, Canada or Mexico and who:

- is actively engaged full time in the acquisition, disposition, and/or marketing of commercial real estate
- has a credible record of experience in commercial real estate brokerage, sales, leasing, transaction management, or marketing, for a period of at least five (5) years
- qualifies for Membership through admissions procedures set forth in this SIOR Policy Manual

Because their business activity is often difficult to define in North American terms, applicants with business addresses outside Canada, Mexico, and the USA are interviewed by the International Member Group Vice-Chair, who will recommend the best category for their Membership within thirty (30) days of receiving the application. These applicants are not required to submit Gross Fee Income affidavits or fulfill educational prerequisites with the exception of SIOR's Ethics and Professional Standards module.

### **C. Educational Requirements**

Except when applying for Executive Management Specialist membership, applicants with business addresses in the United States, Canada, and Mexico must fulfill the following educational requirements:

- a. Pass a comprehensive membership entrance examination, OR
- b. complete three (3) mandatory courses and three (3) elective courses based upon the following guidelines:
  1. Applicants must take and pass the three (3) mandatory SIOR courses: Ethics & Professional Standards, Construction, and Understanding the Lease Agreement
  2. In addition to #1 above, applicants must provide documentation of passing any of the following educational programs or completion of the indicated degrees or professional designations to complete a total of three (3) elective courses:
    - SIOR Elective Topics: 6 SIOR topics available, each qualifies as 1 elective course
    - CCIM Designation: 3 elective courses; fulfills elective requirement
    - CCIM Courses 101-104: 1 elective course each, for a maximum of 2 elective courses
    - CPM Designation: 2 elective courses
    - RPA Designation: 2 elective courses
    - FRI Designation: 2 elective courses
    - RICS Designation (held for 5 or more years): exempt from all education as we do not offer classes internationally
    - Graduate Degree in Real Estate, Business or Law: 2 elective courses

Applicants who can document at least ten (10) years of active engagement in the Commercial Real Estate field and 200% of the Gross Fee Income requirement may waive the educational requirement, with the exception of SIOR's Ethics and Professional Standards module.

SIOR reserves the right to change these requirements periodically to reflect curriculum and industry changes.

#### **D. Ethics Requirement**

Except as indicated herein, all Active Member applicants, prior to attaining the SIOR designation, must complete SIOR's ethics education requirement, either prior to admission or during the first full calendar year after admission. In addition, all Active Member applicants are required to sign a summary document of the Code of Ethical Principles and Standards of Professional Practice acknowledging that they have read and will abide by the Code.

Any international applicant for Active membership who has held the Royal Institute of Chartered Surveyors (RICS) designation for five (5) or more years will be encouraged but not required to complete SIOR's ethics education requirement. However, all applicants must agree to abide by SIOR's Code of Ethics and dispute resolution procedures.

#### **E. Endorsement Requirements**

An application for Membership must be accompanied by a **"Qualification Report & Endorsement" form** from two (2) active Members from outside the applicant's firm. SIOR defines firm as an operating company and/or firm affiliation. For Executive Management Specialist applicants (only), one of the two required endorsement forms may come from within the applicant's firm or network.

Applicants located within SIOR Chapter jurisdictions must obtain endorsements from within their Chapters, unless more than 50 percent of the applicant's business is located outside of the Chapter's jurisdiction, in which case one (1) endorsement can come from outside the Chapter's jurisdiction.

An applicant from outside Canada, Mexico and the USA may substitute a Letter of Endorsement from the senior executive of his/her firm for one Qualification Report if he/she is not acquainted with two SIOR Designees. If there are less than three (3) Active SIOR designees in the applicant's country, he/she may obtain endorsements from two (2) Members within his/her firm or network.

The Qualification Report & Endorsement forms must be submitted to SIOR within 60 days of when the Admissions Manager sends the applicant the Qualification Report & Endorsement form. Otherwise, the application is void.

#### **F. Volume of Business Requirements (GFI)**

Transaction Specialists: In determining %active engagement+ and production volumes for purposes of evaluating Transaction Specialist, Sales Manager, and Advisory (but not Executive) Specialist applicants whose business is located in the United States, Canada or Mexico, SIOR relies on volume-of-business standards. These standards are established in terms of the Gross Fee Income (GFI) the applicant generates for his/her firm each year, for three (3) out of the last four (4) years immediately prior to receipt of the application (%Qualification Period+). The applicant's GFI market requirement is based on the physical business address at the time the applicant submits his/her application. GFI generated in a previous market during the qualifying period counts toward the current business address's GFI requirement.

The default GFI is \$300,000, for each of the 12-month periods and the Chapter may adjust GFI to \$200,000, \$250,000, \$350,000 or \$400,000 by majority vote of the local Chapter and approval of the Regional Director. The GFI amount can be adjusted to \$200,000, \$250,000,

\$350,000 or \$400,000 as needed for cities or towns within the chapter. Variations to this policy that increase the maximum GFI level (in \$50,000 increments) may be submitted to the Board of Directors for consideration by Chapters who: (1) have received a majority vote from their Chapter membership supporting the variation, and (2) have written approval from the Regional Director overseeing the market in question.

For areas with no Chapter jurisdiction, the Regional Director will determine the appropriate GFI amount for that market using current GFI thresholds, and will notify the Membership Standards and Admissions Committee and Chapter Leadership Council once GFI is established, which becomes the default GFI for that market and will remain constant through the next two-year GFI cycle. The Regional Director will continue to determine the GFI amount for that market until a Chapter is formed.

Applicants must submit an affidavit from their firm's managing broker, CFO, or their CPA, stating the Gross Fee Income for each 12-month period (not necessarily calendar year). The affidavit will be signed by both the managing broker/CFO/CPA and the applicant. A minimum of 70% of the GFI requirement must come from industrial and/or office transactions. Of that 70%, an applicant's specialty type will be determined based on which transaction type, Industrial or Office, represents the majority of his/her transactions. Applicants who have 50% in each transaction type may self-select the specialty. The applicant must agree to produce documentation regarding his/her GFI affidavit if requested to do so. In the event where the applicant, due to a professional or personal conflict or dispute, is not able to obtain the GFI affidavit from the applicant's former firm, the SIOR Membership Standards and Admissions Committee in concert with the local Chapter President or Admissions Chair will have the authority to verify and attest Gross Fee Income (GFI).

Executive Management Specialists do not need to document volume-of-business.

Dual Specialists must meet 200% of the GFI requirement for three (3) out of the last four (4) years, and must also have 70% of the regular GFI requirement in industrial transactions as well as 70% of the regular GFI requirement in office transactions.

Sales Management Specialists must multiply the GFI criteria by 10, then multiply the resulting figure by 75% to determine minimum GFI generated by applicant's ten (10) agents/brokers. These applicants should use their top 10 producing commercial agents/brokers to calculate their GFI on the Sales Manager Gross Fee Income Affidavit.

Advisory Specialists must also attach an abstract describing in detail three completed advisory assignments in addition to the signed affidavit.

Military Service Applicants: In the event an applicant's Qualification Period is interrupted by full-time active duty in military service, an applicant may elect to extend the Qualification Period for a period equal to the time spent on active military duty plus an additional 18 months.

Applicants whose business is located outside of the United States, Canada, or Mexico must submit an International Production Affidavit Form.



## **G. Additional Requirements Pertaining to Membership**

Applicants for Membership must meet all requirements specified in Article III of the SIOR Bylaws.

In order to be listed in the SIOR Membership Directory or attend a World Conference, a Member must be current in any dues or fees owed to SIOR, be a member of the Chapter, and be licensed in the state in which his/her name is to appear in the directory.

A Transaction Specialist Member may devote full time to industrial or office real estate activity other than brokerage, such as appraising, consulting, counseling, developing and property management without being disqualified as a Member.

The membership of the Sales Manager will automatically terminate if either of the following deviations from the Manager's status are realized: (a) the Manager leaves the firm with which the Manager was associated at the time of application approval, (b) the Manager's organizational role changes and he/she no longer manages a team of commercial real estate sales professionals.

If an individual holding Executive Management membership changes positions or companies, his/her membership will automatically terminate; provided that the former member may waive the application process and secure reinstatement by demonstrating that a new position secured within five (5) years following termination meets all other requirements for Executive membership.

Subject to chapter approval, an Executive Management Specialist who wishes to transfer to an Industrial or Office Specialist can do so within ten (10) years of becoming an Executive Specialist, provided s/he can document s/he met the GFI requirement at the time the original executive application was submitted. Executive Management Specialists must initiate the specialty transfer within 30 days of leaving the executive role.

A member that relocates to a different geographical location (such as international, US, Canada) shall pay national membership dues at the applicable rate for that location at the time membership is renewed, unless the member's primary business is in a different country than his/her office location. In that case, the member shall pay dues that reflect the location of his/her primary business.

### **1.2. ASSOCIATE STATUS (CORPORATE, GENERAL, DEVELOPER OR EDUCATOR) – COMPANY MEMBERSHIP**

Associate status is available as company memberships for practitioners who are not third-party brokers but are involved in industrial or office real estate. These are not individual memberships. If the individual who applies and is approved for Associate status later changes firms, the membership remains with the original company which will be asked to provide a new delegate to replace the departed contact person.

Associate Memberships are based on office location and delegates must be from same location or business address. Associate applicants are required to have one Qualification Report and Endorsement Form submitted by an SIOR Designee in the local Chapter and a second endorsement from the respective Chapter President, Vice President, Secretary or Treasurer.

Corporate, Educator and General Associate Members with offices in multiple locations who wish to be active in more than one Chapter may do so by payment of an application fee for each additional location by following the established admissions process including Chapter endorsements as outlined above and an interview. Each office will pay the established membership dues.

Developer Associate Members with offices in multiple locations who wish to be active in more than one Chapter may do so by payment of an application fee for each additional location, and by following the established admissions process including Chapter endorsements as outlined above and an interview. The initial office holding a membership will pay \$1,500 in annual dues (\$500 international) and each additional office holding a membership will pay \$575 in annual dues (\$310 international).

All Associate Membership locations holding a membership are responsible for Chapter dues.

All Associate Member dues will include the right to name two (2) delegates for each location at which the Associate Member is paying dues. Up to two (2) additional delegates may be named for an additional fee per delegate.

#### **A. Corporate Associate**

Corporate Associate status is open to individuals of qualified firms which lease or own real estate primarily for their own occupancy. Qualified firms are those that frequently participate in real estate transactions affecting the commercial real estate they have occupied or will occupy, and use the services of Members of SIOR and welcome the representation of other principals by Members.

Applicant firms must demonstrate achievement of the above qualifications in accordance with SIOR admissions procedures as a prerequisite to receiving Associate status and must maintain those qualifications to retain Associate status.

#### **B. General Associates**

General Associate status is open to qualified firms or agencies of specified types whose business consists in substantial part of financing, constructing, analyzing, owning or managing industrial or office real estate for occupancy by other businesses or managing networks of commercial real estate service providers. Qualified firms are those that use the services of Members of SIOR and welcome the representation of other principals by Members, and are similar to one (1) of the following types of firms:

- a. public utilities (such as railroads, electric power, or gas companies), or
- b. insurance companies with substantial commercial portfolios, or
- c. title insurance companies that insure title to commercial properties, or
- d. banks and other financial institutions with major industrial or office real estate portfolios, or
- e. major investment funds with substantial equity investments in commercial real estate, or
- f. accounting firms which have substantial commercial real estate practices, or
- g. asset management companies or REITS with substantial equity investments in commercial real estate, or
- h. architectural & design firms with substantial commercial real estate practices or
- i. chambers of commerce, or
- j. economic development agencies, or
- k. engineering firms specializing in commercial real estate construction, or
- l. general contractors specializing in commercial real estate constructions, or
- m. environmental engineering firms specializing in commercial real estate, or
- n. auction companies specializing in commercial real estate, or
- o. real estate technology firms specializing in systems or information relating to commercial real estate, and do not themselves engage in the business of third-party industrial or office brokerage, or
- p. law firms, or
- q. mortgage banking firms/mortgage brokerage firms, or

- r. pension fund advisors, or
- s. surveyors.

With the exception of auction companies, General Associates cannot engage in the business of third-party industrial or office brokerage. Applicant firms must demonstrate achievement of the above qualifications in accordance with SIOR admissions procedures as a prerequisite to receiving Associate status and must maintain those qualifications to retain Associate status.

### **C. Developer Associates**

Developer Associate status is open to qualified firms whose principal business is the developing of commercial properties. Qualified firms are those:

- whose business consists of developing significant commercial properties, and
- whose management has successfully demonstrated the ability to plan and operate significant commercial properties, and
- that use the services of Members of SIOR and welcome the representation of other principals by Members, and
- that do not themselves engage in the business of third-party brokerage.

Applicant firms must demonstrate achievement of the above qualifications in accordance with SIOR admissions procedures as a prerequisite to receiving Associate status and must maintain those qualifications to retain Associate status.

If, following its qualification under this section, an Associate begins to engage in the business of third party commercial brokerage, its Associate status will be terminated but its delegate(s) may qualify as Members, upon application and fulfillment of Member requirements.

### **D. Educator Associates**

Educator Associate status is open to accredited colleges or universities offering degrees in real estate or degrees in other related fields with heavy emphasis on real estate, and/or administer endowment funds involving substantial real estate holdings.

The delegates will be professors of real estate or related fields or members of management administering endowment funds involving substantial real estate.

### **E. General Rules Regarding Associate Status**

Associates will have the right to name delegates as indicated above in Section 1.2 on payment of the appropriate dues, provided that the total number of delegates representing the Associate would not exceed the number permitted under guidelines which may be adopted by the Board of Directors to ensure that an appropriate balance is maintained between the number of Members and Associate delegates in SIOR activities.

The delegates will be selected by the applicant, and will be management officials of the applicant with responsibilities relating directly to commercial real estate.

In the event an Associate delegate can no longer serve as such due to having left the firm, having changed duties within the firm, or for other reasons, the Associate must provide written notification of a replacement delegate.

Associates must maintain membership in such Chapter as may exist in the territory within whose jurisdiction the Associate operates or maintains its principal office.

Any firm qualified in more than one (1) category of Associate status may hold membership in more than one (1) classification, provided that a suitably qualified delegate is appointed and that dues as established for the appropriate memberships are paid.

The Membership Standards & Admissions Committee will, upon written request of any Member or Chapter, review whether any Associate or delegate remains qualified and report its finding and recommendations to the Board of Directors.

Associate delegates may attend meetings of SIOR, take part in discussions and advise as to matters pertaining to industrial or office real estate, including industrial or office development and public welfare.

Associate delegates will not hold office or have voting rights in SIOR, but will be eligible for membership on SIOR committees. Notwithstanding the foregoing, Chapter Bylaws may (but are not required to) authorize Associate delegates to hold the offices of Chapter Secretary or Treasurer.

### **1.3. REINSTATEMENT OF MEMBERSHIP**

Any Member or Associate who has been a member in good standing for three (3) or more years and has resigned from membership while in good standing may be reinstated upon application within the next five (5) calendar years following Chapter review, and approval by a majority vote of the Chapter Leadership Council. Past members who fail to meet the five (5) calendar year submission deadline must reapply as new members, satisfy all current requirements, and pay any initiation fees expected of a new member.

Any Retired Member may be reinstated to active membership upon application within five (5) calendar years from retirement, following Chapter review, and approval by a majority vote of the Chapter Leadership Council. Retired members who fail to meet the five (5) calendar year submission deadline must reapply as new members, satisfy all current requirements, and pay any initiation fees expected of a new member.

Previously Retired members who resigned in good standing may reinstate to Retired status.

### **1.4. REASSIGNMENT OF DESIGNATION SPECIALTY**

Designees wishing to transfer between Office and Industrial specialties must submit the Reassignment of Specialty Application and fee, along with the Reassignment of Specialty GFI Affidavit verifying that in three out of the last four years, at least 70% of the GFI requirement in industrial and/or office transactions has been met. Of that 70%, 50% or more of the transactions must be in the requested specialty type.

### **1.5. RETIRED MEMBERSHIP STATUS**

Any member that is no longer active in the industry (except for facilitating his/her own portfolio) and who is sixty-five (65) years of age or older, or has been an active member for at least 15 consecutive years, may apply for Retired membership.

Previous members who left the organization in good standing and had maintained Membership for twenty-five (25) years or more, and are no longer active in the commercial real estate industry are eligible to apply for ~~Retired~~ Retired status.

All Members who attain Retired status will pay an annual dues fee as determined by the Board of Directors.

The Executive Vice President has the authority to grant Retired status or completely waive dues for members with serious chronic illness or disability.

A Retired Member may attend meetings of SIOR without vote, and may identify himself/herself as an SIOR Retired member, provided, however, that the appropriate NATIONAL ASSOCIATION OF REALTORS® membership remains in good standing, but may not sign recommendation forms on behalf of any applicant for membership.

All Retired Members have the option of voluntarily belonging to an SIOR Chapter of their choice.

Retired Members of SIOR will be identified as %SIOR, Retired+in official SIOR publications and on the SIOR website.

## **1.6. EMERITUS MEMBERSHIP STATUS**

The SIOR Emeritus Program is designed to both acknowledge and reward designees for long standing service and/or contributions to the success of the organization. Members who have achieved Emeritus status enjoy all the benefits of Active membership but no longer pay annual national dues.

Emeritus status is automatically granted to those members who have held the SIOR designation for 40 or more years, or have held the SIOR and SIOR Retired designation for 50 or more years.

In recognition of their significant contributions to SIOR, Past Presidents and Howell T. Watson Distinguished Service Award winners are granted Emeritus status the year following their 65th birthday, regardless of the number of years they have actively held the designation.

## **1.7. CANDIDATE MEMBERSHIP STATUS**

Candidate Membership is available for industrial and office brokerage specialists with three (3) to eight (8) years experience who are not yet qualified to apply for the SIOR designation.

### **A. Admissions Eligibility and Requirements**

- **Experience:** Applicants must have less than five (5) years experience as industrial and/or office brokers at the time of submitting an application.
- **Education:** Applicants must successfully complete the online Ethics course.
- **Production:** Gross Fee Income (GFI) - Applicants must meet 50% of the established market GFI requirement in the 12 months preceding the application and submit a signed GFI affidavit.
- **Endorsement:** Applicants must obtain one (1) endorsement from an Active Designee in the Chapter.
- **Mentor:** Applicants must obtain one mentor, an Active Designee, in the Chapter. The Mentor is responsible for advising the Candidate and providing guidance towards earning the SIOR designation.

## B. Candidate Responsibilities

- **Membership Term:** Candidates may maintain Candidate Status for a maximum of five (5) years. Within five (5) years, the Candidate must complete the full admissions process and meet all requirements for the SIOR designation.
- **Mentor:** Candidates must meet regularly with their Mentors and notify them of progress towards earning the SIOR designation. The Mentor will be included on correspondence from Headquarters.
- **World Conference Attendance:** Candidates must attend one (1) World Conference within 36 months of Candidacy and are invited to attend all conferences. Candidates will receive an approximate 50% reduction in registration fees. Candidates will be provided SIOR Ambassadors at each conference.
- **Designation Courses:** Candidates must complete the designation courses including three (3) mandatory and three (3) elective topics during Candidacy and will receive a small discount on registration fees.
- **Dues:** Candidates must fulfill annual SIOR and SIOR Chapter dues obligations. The annual SIOR dues will equate to a 65% reduction off the Active Designee dues. Each Chapter may establish an appropriate dues structure for Candidates.

## C. Mentor Responsibilities and Commitment

- The Mentor's primary goal is to advise the Candidate and provide guidance towards earning the SIOR designation.
- The Mentor must be from the same Chapter as the Candidate.
- The Mentor should be familiar with the Candidate's professional background and work ethic.
- The Candidate and the Mentor should meet regularly and review progress towards meeting the SIOR designation requirements.
- Mentors are encouraged to attend local and national events with the Candidate.
- If the Candidate and/or Mentor is unresponsive or unwilling to commit the time and other actions required, the Candidate and/or Mentor will have the option to be paired with another Candidate and/or Mentor.

## D. Chapter Responsibilities and Oversight

- Chapters should identify rising professionals in their markets and encourage them to join the Candidate Program.
- The Chapter Admissions Chair is responsible for verifying the applicant's GFI and conducting an admissions interview with the applicant and Mentor.
- Chapters are encouraged to invite Candidates to events and programs where they would benefit from interaction with SIOR Designees.
- Chapters may establish an appropriate Chapter dues structure for Candidates.

#### **E. “Find A Member,” My SIOR, and SIOR Global Media Network Policies**

- Candidates will be searchable on the SIOR website and identified as %Candidate Members+ on the user profile. To search for Candidates, the user will select %Candidate+from the %Specialty+type. Candidates will not be included when searching for SIOR Designees.
- Candidates will be provided a limited My SIOR user profile and will have access to the %SIOR email blast+feature. Profiles must adhere to the designation and logo usage policies.
- Candidates can join SIOR groups on the Global Media Network.
- Candidates will be limited to send up to six (6) messages per year on the SIOR Connect system.

## SECTION 2.

### ADMISSIONS PROCEDURES

#### 2.1. APPLICATION REQUESTS

Applicants may contact SIOR Washington Headquarters for application information and materials. Staff will direct the applicant to the SIOR website and send any relevant informational material. SIOR members may also refer potential applicants to the Washington Headquarters.

SIOR admissions staff issues periodic reports of application activity to Chapter Presidents, Chapter Admissions Chairs, and Chapter Membership Development and Retention Chairs, so requests for applications must be made for a specific, identified individual.

#### 2.2. APPLICATION SUBMISSION

Applicants must process an application online through the Admissions Interactive Link of the SIOR website, [www.sior.com/admissions](http://www.sior.com/admissions). This is the preferred means for disseminating applications and membership information because of timeliness of delivery of the information.

An application for Transaction Specialist, Sales Manager, or Advisory Specialist membership submitted by an individual whose business address is located within the United States, Canada or Mexico, must include a Gross Fee Income affidavit, in the form prescribed by SIOR from the firm's managing broker, certified public accountant or chief financial officer of the applicant's firm.

An application for Membership must be accompanied by a Qualification Report & Endorsement form from two (2) Members from outside the applicant's firm and from within the applicable chapter jurisdiction, where possible. SIOR defines firm as an operating company and/or firm affiliation. The Qualification Report & Endorsement forms must be submitted to SIOR within 60 days of when the Admissions Manager sends the applicant the Qualification Report & Endorsement form. Otherwise, the application is void.

#### 2.3. APPLICATION REVIEW AND PROCESSING

The standard review process is as follows:

- **Admissions Manager** logs in receipt of each application, reviews each application for completeness, and assesses the Applicant's qualifications. If the application is not complete, it is returned to the applicant.
- **Admissions Manager** sends the application and a link to the Interview forms to the Chapter Admissions Chair, who has 30 days to return the form. If the interview form is not returned to the Admissions Manager within 30 days, the application will continue forward. The Chapter interview process may take place at the applicant's place of business at the discretion of the Chapter. The Chapter may request that the application be forwarded to the Membership Standards and Admissions Committee for further review regarding the GFI affidavit, declaration of specialty, or choice of city to use for the GFI requirement. In addition, all Executive Management Specialist applicants must be reviewed by the Membership Standards and Admissions Committee. The Membership Standards and Admissions Committee will review and make recommendations on any objections and report to the Admissions Manager within 30 days.



- **Admissions Manager** releases the names of all applicants that have applied for Membership to all SIOR members at least 15 days prior to final acceptance of the applicant as a Member. Any Member can object to the applicant, based on ethical issues provided the objection is clearly documented in writing to the Admissions Manager. (See 2.6 B. Complaint Procedures.)
- **Chapter Leadership Council** receives the Admissions Manager's recommendations and acts on them via e-mail polling, allowing a 5 business day voting period.
- **Admissions Manager** corresponds with applicant within fifteen (15) days of each email polling to report the result of their application, providing membership welcome packets as appropriate.

## **2.4. ADMISSIONS PROCESS FOR APPLICANTS FROM OUTSIDE THE UNITED STATES, CANADA, OR MEXICO**

The above procedures apply to applications for Membership by individuals whose business address is located within the United States, Canada or Mexico. Applications submitted by individuals whose business is located outside of the United States, Canada or Mexico will be submitted by SIOR admissions staff to the International Member Group Vice-Chair.

The International Vice-Chair, in consultation with the individuals who submitted the Qualification Report & Endorsement forms, will evaluate the applicant's active engagement and relevant experience. The International Vice-Chair will report the determinations made in the application file, sign the application, and return the application file to the Admissions Manager within thirty (30) days for processing in accordance with stated procedures (Membership Standards and Admissions Committee leadership review, and approval for membership by the Chapter Leadership Council as detailed in Section 2.3).

## **2.5. APPROVAL BY CHAPTER LEADERSHIP COUNCIL**

All applicants for membership will be admitted to SIOR unless the application is rejected by 2/3 of the votes cast by the voting members (Chapter Presidents) of the Chapter Leadership Council present at a quorum meeting or by internet polling. The Speaker of the Council may, at his/her discretion, order a ballot by mail, email or telephone.

## **2.6. OTHER ADMISSIONS PROCEDURES**

### **A. Retired Status Applications**

An applicant for Retired status must complete the application form along with a retired verification affidavit and return the form and affidavit directly to SIOR headquarters. The affidavit must be signed by both the applicant for Retired status and the applicable Chapter President.

Applications for Retired Status are included in the monthly Chapter Leadership Council vote as referenced in Section 2.5.

### **B. Complaint Procedures**

Any application file containing one or more allegations that the applicant is disqualified from membership under Bylaws Article III, Part I, Section 2 will be transmitted to the Chair of the Professional Standards Committee. The Chair will form a panel of inquiry to review the

application file, pointing toward a determination of whether the conduct asserted (or some part of it) would be sufficient, if proven, to warrant suspension or expulsion if engaged in by a member. This panel of inquiry review will be conducted in a manner consistent with the rules and procedures for ethics complaint review specified in SIOR's *Ethics, Mediation, and Arbitration Procedures Manual*. Where a panel of inquiry concludes that the conduct described would not be sufficient to warrant suspension or expulsion, the Chair will so indicate in the admissions file. The file will then be presented to the Membership Standards and Admissions Committee for its assessment of other aspects of the application, in accordance with the Committee's normal procedures.

Where a panel of inquiry concludes that some of the alleged conduct, or all of the alleged conduct taken together, would warrant suspension or expulsion under SIOR's guidelines if the conduct were that of a member, then further processing of the application will be deferred pending a hearing to determine the facts. The applicant will be notified and given the option of participation in the hearing process. If the applicant declines, the application will be deemed withdrawn.

The hearing to determine the validity of the facts alleged will be conducted before an impartial panel having appropriate professional standards credentials that will be designated by the Chair of the Professional Standards Committee. The procedures governing the hearing will be those described in SIOR's *Ethics, Mediation, and Arbitration Procedures Manual*. The applicant and others will be entitled to the rights and subject to the responsibilities described in those procedures.

The hearing panel will make findings as to what conduct had been proven to have occurred and whether that conduct (as distinct from the alleged conduct assessed by the panel of inquiry) would warrant suspension or expulsion of a member under the applicable suspension/expulsion guidelines. The rights of appeal provided by the Manual will be available.

When the hearing process has produced a conclusion, a written memorandum stating that conclusion will be transmitted to the application file, which then will be evaluated by the Membership Standards and Admissions Committee following customary procedures, except that the results of the hearing process will be conclusive as to the issues addressed and the matters found.

In the event of a complaint that an application has not been acted upon in a timely fashion, a procedural review board will be constituted to include the Membership Standards and Admissions Committee Chairman, the appropriate Regional Director and two Members from the Chapter having jurisdiction over the application. The board will promptly investigate the complaint and attempt to resolve informally any discrepancy in compliance with the established admissions procedures. In the event the board identifies a discrepancy that cannot be resolved informally, the Chairman of the Committee will submit a written report to the President and Chairman of the Board and Speaker of the Chapter Leadership Council, who will initiate such formal remedial action as may prove necessary.

## SECTION 3.

### USE OF THE SIOR DESIGNATION AND LOGO

- Members of SIOR may identify themselves by the designation ~~SIOR~~ which will be the abbreviation of the words ~~%Specialist, Industrial and/or Office Real Estate+~~. Members may use these initials immediately following their signatures, in signing letters, reports, or in articles and books for publication or elsewhere, or following their individual names on letterheads, business cards or other advertising. For example, ~~%John Doe, SIOR+~~

Retired Members may identify themselves as ~~SIOR Retired+~~. Retired Members may use this identification immediately following their signatures, in signing letters, reports, or in articles and books for publication or elsewhere, or following their individual names on letterheads, business cards or other advertising. For example, ~~%Jane Doe, SIOR Retired+~~

Associates may use the words, ~~%Associate, SIOR and/or SOCIETY OF INDUSTRIAL AND OFFICE REALTORS+~~ on letterheads, business cards, reports and elsewhere.

The designation ~~%SIOR+~~ will not be used in any case following or immediately in connection with the name or signature of a firm, partnership or corporation.

- Members may use the words ~~%Member, SIOR and/or SOCIETY OF INDUSTRIAL AND OFFICE REALTORS+~~ on letterheads, business cards, reports or elsewhere.

The use of the term ~~%Member, SOCIETY OF INDUSTRIAL AND OFFICE REALTORS+~~ by Members will in no case be in connection with a firm, partnership, or corporation, or in such manner that might be interpreted as referring to a partnership, a group or to anyone other than the individual rightly entitled to use the designation.

Members doing business as firms, partnerships, or corporations may inscribe upon letterheads, business cards, and advertising matter of those firms, partnerships or corporations, in which the above member is a principal, the designation or phrase ~~%Individual Membership (or Memberships) in SIOR and/or SOCIETY OF INDUSTRIAL AND OFFICE REALTORS+~~

- All use of any membership terms found in this Policy Manual will always be dignified and in a manner satisfactory to the Board of Directors and in accordance with such regulations or policies as the Board may adopt from time to time.
- Duplication or reproduction of the SIOR logo by Chapters or individual Members or Associates is prohibited, except upon letterheads, business cards, or for other purposes of advertising and then only to accurately identify the individual Member or Associate in a dignified manner. The right of a Chapter or Member to continue the use of the printed image may be revoked by the Board of Directors.
- Any Member or Associate who resigns, or whose membership is suspended or terminated, may no longer display any marks of identification as a Member or Associate of SIOR. This will not apply to Retired Members.

- Candidate Usage and Logo Policies

- Use of %Candidate:+The appropriate statement of identification for Candidate members is %Candidate Member, SOCIETY OF INDUSTRIAL AND OFFICE REALTORS®.+ A Candidate Member cannot use %Candidate+as a designation after their name.
- Candidates are not permitted to use the SIOR designation after their names or on any marketing or business materials.
- Candidates are not authorized to use the SIOR logo in any way.

## SECTION 4.

### OFFICERS AND ADMINISTRATION

#### 4.1. DESIGNATION AND CHAPTER JURISDICTION OF REGIONS

The following Regions are established and have Chapter jurisdiction as follows:

1. Mid-Atlantic: Maryland/DC/No. Virginia, Philadelphia, Virginia, and Western Pennsylvania Chapters
2. Northeast: Connecticut, New England, New Jersey, New York City/Downstate NY and Upstate NY Chapters
3. Central: Colorado, Iowa-Nebraska, Minnesota, St. Louis, and Western Missouri/Kansas Chapters
4. Great Lakes: Chicago, Indiana/Kentucky, Michigan, Ohio and Wisconsin Chapters
5. Northwest: Idaho, Oregon, Utah and Washington Chapters, and Alaska
6. West: Arizona, Greater Los Angeles, Inland Empire/Orange County, Northern California, San Diego, Southern Nevada Chapters, and Hawaii
7. Southwest: Central Texas, El Paso Southwest, Houston/Gulf Coast, New Mexico, North Texas, Oklahoma, San Antonio/Central Texas, and South Texas Chapters
8. South: Arkansas, Florida, Louisiana/MS/AL/NW FL Chapters, and Puerto Rico
9. Southeast: Carolinas, Eastern Tennessee, Georgia and Memphis Chapters
10. Canada: Canada Central, Canada East, and Canada West Chapters

In addition, SIOR's European Regional Council exercises jurisdiction over the United Kingdom, Ireland, and continental Europe, and the Mexico Chapter has jurisdiction over all of Mexico except Juarez, which is part of the El Paso Southwest Chapter.

#### 4.2. REGIONAL DIRECTORS

Regional Directors report directly to the Speaker of the Chapter Leadership Council as directed. They serve two-year terms and work with Chapters in their respective regions to facilitate discussion, best practices, and the ultimate delivery of value-added services to the membership. Regional Directors will aid the Speaker of the Chapter Leadership Council by performing such functions as may be delegated to them in order to improve the effectiveness of Chapter Presidents in achieving their objectives. Their duties are to:

- Attend the Spring World Conference, the Leadership Conference, and the Fall World Conference during their term as Regional Director.
- Monitor progress on Chapter business plans

- Provide guidance to the leadership of each Chapter within the Region. Review business plans, bylaws, and financial statements of each Chapter on an annual basis to become more knowledgeable of the activities and undertakings of each Chapter. Attend at least one Chapter meeting per year in each Chapter in his/her region. Attend all meetings and participate in conference calls of the Chapter Leadership Council of SIOR.
- Ensure that the Chapters in their regions are informed of Board actions and initiatives. Meet with Chapter leadership as often as necessary to keep leadership fully informed of activities of the Board of Directors and to keep leadership abreast of the Strategic Plan of SIOR.
- In areas within their region where there is no Chapter jurisdiction, communicate with individual members to keep them informed and involved, and process membership applications from applicants, including interviewing and confirming Gross Fee Income.
- Encourage clear communication and close liaison between chapter leaders and the Washington office, Chapter leaders and the Chapter Leadership Council, and among Chapter leaders within the region.
- Promote SIOR and assist with recruitment of new members.
- Review the names of those members who cancel membership and seek ways to lessen the attrition of members by understanding why a member cancels membership.
- Seek out future leadership within the Region for elective offices including future Regional Directors.
- After the completion of the two-year Regional Director term, serve on the Nominating Committee for a two-year term.

Regional Directors have an expense account to defray costs incurred while carrying out their duties. Activities that are covered include:

- Travel to Chapter events that would ordinarily not be attended (i.e., outside the RD's home Chapter). Chapters are expected to cover lodging and any registration fees and other costs associated with attending these events;
- Travel and related expenses for special Regional Director meetings; and
- Costs associated for special projects which have a special budget.

Expenses that are not covered include:

- Travel and related expenses for attendance at the Spring World Conference and Leadership Conference/Fall World Conference;
- First class travel for any event; and
- Travel expenses for family members or friends.

All expense reports must be submitted on prescribed forms and include receipts for any expenditures greater than \$25.00.

#### **4.3. NOMINATING PROCEDURES AND ELECTIONS**

Nominations for any officer position may be made by way of self-recommendation or recommendation from another Member in good standing, provided all applications are in the hands of the Nominating Committee prior to the deadline established by the Nominating Committee for that election year.

All candidate applications must be submitted to the Nominating Committee staff liaison no later than three (3) weeks prior to the first day of the Spring World Conference. The Committee may elect to consider and interview candidates for national office by phone. Any phone interviews must take place no more than two weeks prior the Spring World Conference.

No member of the Governance Committee, with the exception of the Immediate Past President who serves as Vice-Chair of the Regional Director Selection Subcommittee, and no candidate for office may attend or participate in any Nominating Committee meetings, processes, interviews, or deliberations.

An alternate must be selected to participate in Nominating Committee procedures for that member who is disallowed from participating, per the above. Alternate representatives asked to serve would first be the individual who most recently served on the Nominating Committee in said position; second choice alternate would be an individual who currently serves SIOR in the same capacity.

It will be the duty of the Nominating Committee (excluding the Chair and Vice-Chair) to nominate by a majority vote one (1) Member for each office vacancy. The Vice-Chair of the Committee (the Immediate Past President) will vote only in the event of a tie. The Chair of the Nominating Committee will not vote except in the event of a tie and only if the Vice-Chair is unable to vote. Nominating Committee member ballots will be placed in unmarked envelopes and tallied by the Chair, Vice-Chair, and Nominating Committee Staff Liaison immediately following the meetings.

If a Nominating Committee member is unable to attend the Nominating Committee Meeting, he or she must notify the SIOR Staff Liaison four (4) weeks prior to the session so that an alternate can be arranged to represent his or her region or position. If the Nominating Committee member who is unable to attend the Nominating Committee Meeting and does not notify the SIOR Staff Liaison in a timely manner, his or her office shall not be represented during the Nominating Committee interviews or deliberations.

The slate of nominees selected by the Nominating Committee will be presented to the Members present at the Spring World Conference by the Chair of the Nominating Committee at the General Session immediately following the Nominating Committee meeting. No candidate, SIOR staff member, other SIOR member, or conference attendee will be informed of the Committee's decision prior to the General Session announcement, including the balance of the Nominating Committee. The Chair of the Nominating Committee will ask for a motion from the floor for the election of the slate of nominees. A motion will then be made for the election of the slate of nominees. If that motion carries by a majority vote of the Members present, then the slate of officers is elected. If that motion fails to carry by a majority vote of the Members present, then there will be an election by ballot, with a separate decision made for each vacant office. Prior to the balloting, additional nominations may be made by Members present at the meeting. The SIOR President, who is also Chairman of the Board, will appoint three (3) tellers, who will make a tabulation of the ballots cast. For each office, the nominee receiving the highest number of votes will be declared elected, and the tellers will so certify, in writing, to the Executive Vice President of SIOR, giving the number of ballots cast for each nominee. Any tie vote will be decided by a majority vote of the Board of Directors.

The slate of nominees for Regional Director will be presented to the Chapter Leadership Council (CLC) by the Vice Chair of the Nominating Committee at the CLC business meeting immediately following the Nominating Committee meeting. Procedures for formal approval of the slate will be similar procedures as those used for approval of the Board slate.

Newly elected Board members and Regional Directors will assume office at the commencement of the annual Leadership Conference in the fall.

In event of a vacancy in the office of Treasurer, Board member, or Regional Director, the office will be filled by the Board of Directors, consistent with any recommendation of the Governance Committee, for the balance of the current year. In such circumstances, an election will be held, in accordance with the procedures specified by the Bylaws, prior to the end of the year to fill such office for the balance of the unexpired term.

#### **4.4. CHAPTERS**

Active Members and Associates are required to belong to the Chapter with jurisdiction over their business location, except that Chapter membership is optional for Corporate Associates and Retired Members.

Chapter dues will be billed directly to the individual Members and Associates and will be paid or distributed to the Chapter. Board-approved protocols stipulate procedures to be followed before termination of a member for failure to pay chapter dues.

SIOR Chapters must establish and maintain non-profit corporation status; maintain up-to-date Chapter bylaws; comply with all applicable local, state, and federal tax laws; and maintain General Liability Insurance coverage. SIOR will establish and maintain an Affiliation Agreement with SIOR Chapters.

#### **4.5. CHAPTER LEADERSHIP COUNCIL (CLC)**

##### **A. Speaker of the CLC**

The Speaker of the CLC will serve as Council Chair and will exercise administrative authority over CLC activities. The Speaker, by virtue of that office, is a voting member of the Board of Directors. The Speaker's term runs for two (2) years, commencing at the annual Leadership Conference.

##### **B. Speaker-Elect of the Council**

The Speaker-Elect will be elected from Chapter Presidents who have served as such within the past three (3) years during a regular quorum meeting of the CLC every other year by a majority vote of all members of the CLC in attendance. For the purpose of electing a Speaker-Elect, each Chapter President will have one (1) vote and each Chapter Vice-President will have one (1) vote. The Speaker-Elect will serve a two-year term, and will then become Speaker and fulfill a two-year term in that office.

The Speaker-Elect will fulfill all the usual duties of a Vice-Chair or Vice President, along with other duties that the Chapter Leadership Council may determine.



### **C. Voting Procedures**

Each Chapter President will have one (1) vote. Chapter Vice Presidents will have no voting rights except in the election of the Speaker-Elect, unless the Chapter President submits advance written notice to the Speaker of the Council that they will be absent for a business meeting and give their voting rights to the Chapter Vice President by one-time proxy. The Speaker-Elect will not have voting rights. The Speaker of the CLC may vote only in the event of a tie vote.

### **D. Duties and Functions of the Chapter Leadership Council**

1. To Analyze Chapter Issues and Programs: The CLC identifies and analyzes Chapter issues, evaluates potential responses and recommends solutions. It reviews Chapter programs, business plans and budgets to assure that they meritoriously address optimum business practices and current themes.
2. To Act on Admissions Manager Reports: Reports of the Admissions Manager will be submitted to the CLC via e-mail ballot, and will include the Admissions Manager or Membership Standards & Admissions Committee's conclusion as to each applicant's having demonstrated achievement of the relevant membership standards or the need for additional inquiry prior to reaching any such conclusion. Membership Standards & Admissions Committee members designated by the Chair may appear before the CLC to facilitate understanding and assessment of the Committee's report. The CLC, acting consistent with SIOR admissions standards and procedures, may approve, disapprove or postpone final action on the conclusion or recommendation of the Admissions Manager or Membership Standards & Admissions Committee. Decisions of the CLC represent final SIOR action on applicant admissions matters.
3. To Assess Changes in SIOR Admission or Membership Policies, Rules, or Regulations: All committee or Member Group recommendations or motions that impact SIOR admission or membership policies, rules or regulations must be submitted to the Chapter Leadership Council for its recommendation prior to Board of Directors action. The CLC may take one of three types of action as to each such Committee or Member Group recommendation or motion: (1) if supported by a majority of the votes cast at a quorum meeting, the recommendation or motion will be forwarded to the Board of Directors with the CLC's affirmative endorsement, (2) if rejected by at least a two-thirds majority of the votes cast at a quorum meeting, the recommendation or motion will not be forwarded to the Board of Directors and will be returned to the originating committee with appropriate guidance, or (3) if rejected by a less than two-thirds majority of the votes cast during a quorum meeting, the recommendation will be forwarded to the Board of Directors with the CLC's negative endorsement. Where a recommendation or motion is forwarded to the Board of Directors with the CLC's affirmative endorsement, any Board of Directors action that would disapprove or delay the recommendation or motion must be adopted by at least a two-thirds majority of the votes cast by those voting during a quorum meeting of the Board. Where a recommendation or motion is forwarded to the Board of Directors with the CLC's negative endorsement, any Board of Directors action that would approve or implement the recommendation or motion must be adopted by a two-thirds majority of the votes cast by those voting during a quorum meeting of the Board.

#### **4.6. MEMBER COALITION COUNCIL (MCC)**

The Member Coalition Council provides a platform for the exchange of information and ideas by a representative cross-section of the membership. The MCC hears reports and motions from both service related committees and member groups, and acts as a think tank to recommend activities, services, and programs that provide value to the membership. The MCC is chaired by the SIOR President-Elect, vice-chaired by the SIOR Vice President and is populated with the following chairs and leaders from Board approved committees and member groups:

- Committees:
  - Conference Committee
  - Membership Standards and Admissions Committee
  - Non Dues Revenue Committee
  - Technology & Communications Committee
- Member Groups:
  - Diversity
  - Faculty
  - Independent Brokers
  - International
  - Office Specialists
  - Young Professionals

##### **A. Voting Procedures**

Each member of the Member Coalition Council (MCC) will have one (1) vote. The Vice-Chair will not have voting rights. The Chair of the MCC may vote only in the event of a tie vote.

##### **B. Duties and Functions of the Membership Coalition Council**

1. Provides Visionary Leadership: The MCC interprets emerging real estate industry trends and recommends appropriate initiatives and programs. Such recommendations may be based on analysis of market data, changing practices affecting the market, and/or changes in relevant governmental policy or law. The Board of Directors may engage the MCC to research and brainstorm specific areas of interest.
2. Considers Committee and Member Group Recommendations: The Member Coalition Council reviews recommendations generated from the member groups and committees that comprise the MCC. In this regard, recommendations are vetted by a representative cross section of the membership. The MCC has the authority to discuss and modify all member group and committee recommendations. Both the original member group/committee recommendation and an MCC altered version of the recommendation will be provided to the Board of Directors for review.

#### **4.7. COMMITTEE STRUCTURE AND DESCRIPTIONS**

##### **A. Standing Committee and Subcommittee Leadership**

Standing committees may have one or more Vice-Chairs whose role will be to assist the Committee Chair in the administration of committee business and serve as chair in the chair's absence. Vice-Chairs will serve for one (1) year terms and will be eligible for appointment for one (1) additional term.

## **B. Committee Leadership Team**

The committee leadership team is composed of the Committee Chair, Vice-Chair(s), and the Staff Liaison. It is responsible for preparing annual committee business plans and budget recommendations, and making recommendations to the appropriate Council (CLC or MCC).

## **C. Composition and Duties of Standing Committees**

### **a. Audit Committee**

The purpose of the SIOR Audit Committee is to assist the Board of Directors in fulfilling its fiduciary responsibilities for:

1. the financial reporting process
2. the system of internal control
3. the system of risk management
4. the external audit of the financial statements
5. the SIOR process for monitoring compliance with laws and regulations affecting financial reporting and its code of conduct, and
6. the Audit Committee management and reporting responsibilities

### Authority

The Audit Committee has authority to conduct or authorize investigations into any matters within the scope of its responsibility. It is empowered to:

- Appoint, compensate, and oversee the work of any registered public accounting firm employed by the SIOR.
- Resolve any disagreements between management and the auditor regarding financial reporting.
- Have unrestricted access to members of management and employees as well as to all books, records and facilities of the SIOR.
- Pre-approve all auditing services and other services provided by SIOR's auditor.
- In the conduct of an investigation, retain accountants, or others to advise the committee.
- Seek any information it requires from employees all of whom are directed to cooperate with the committee's requests or external parties.
- Meet with SIOR officers, external auditors, or outside counsel, as necessary.
- Perform activities within the scope of its charter.

### Composition

The Audit Committee shall consist of three members: a Chair, a Vice-Chair and a member. The Governance Committee will appoint the three (3) members of the Audit Committee to serve for 3-year, staggered terms of office. During his/her second year of service, the member will serve as Committee Vice-Chair and as Chair during the third year of service. A two-year hiatus will be required between the time that a member first serves on the Board's Performance Oversight and Monitoring Committee (POM) then serves on the Audit Committee. There is no hiatus required between serving on the Audit Committee and serving on the Performance Oversight and Monitoring Committee.

Each committee member will be both independent and financially literate. Financial literacy is defined as being able to read and understand basic financial statements.

### Meetings

- The Audit Committee will meet at least two (2) times a year to coincide with SIO's Spring World Conference and Fall World Conference with authority to convene additional meetings, as circumstances require.
- All Audit Committee members are expected to attend each meeting, in person or via tele-or video conference.
- The Audit Committee may invite members of management, auditors or others to attend meetings and provide pertinent information, as it deems necessary.
- The Audit Committee will meet with the independent external auditors at least once annually in executive session. The meetings can be either in person or via conference call.
- Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. The committee shall maintain written minutes of the meetings.

### Responsibilities

The Audit Committee will carry out the following responsibilities:

- Financial Reporting Process
  - Review significant accounting and reporting issues and understand their impact on the financial statements.
  - Review with management and the external auditor the results of the audit, including any difficulties encountered.
  - Review the annual financial statements, and consider whether they are complete, consistent with information known to audit committee members, and reflect appropriate accounting principles.
  - Review with management and the external auditors all matters required to be communicated to the Audit Committee under generally accepted auditing standards.

- Understand how management develops interim financial information, and the nature and extent of external auditor involvement.
- Obtain information and training to enhance the Audit Committee members' expertise in financial reporting standards and processes so that the Audit Committee may adequately oversee financial reporting. The Audit Committee should ask to be put on audit firm's mailing list for webinars on pertinent subject matter.
- Internal Control
  - Understand the scope of external auditor review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.
  - Ensure through the Auditor that SIOR has a comprehensive policy on internal control and compliance, and an IT contingency plan.
- Risk Management
  - Ensure that the organization has a comprehensive policy on risk management.
  - Consider the effectiveness of SIOR's risk management system, including risks of information technology systems.
  - Consider the risks of business relationships with SIOR's auditor regarding consulting and any other non-audit services.
- External Audit
  - Review the external auditor's proposed audit scope and approach, including coordination of audit effort with staff.
  - Review the performance of the external auditor and exercise final approval on the appointment or discharge of the auditor.
  - Review and confirm the independence of the external auditor by obtaining statements from the auditor on relationships between the auditor and SIOR, including non-audit services.
  - On a regular basis, meet or talk by telephone separately with the external auditor to discuss any matters that the Audit Committee or auditor believes should be discussed privately.
  - Ensure that significant findings and recommendations made by the external auditor and management's proposed response are received, discussed and appropriately acted on.
- Compliance
  - Ask management if there are any compliance matters regarding government agencies that have arisen during the course of the year.

- **Reporting Responsibilities**

- Regularly report to the Board of Directors about Audit Committee activities, issues, and related recommendations.
- Provide through the Audit Committee an open avenue of communication between the external auditor and the Board of Directors.
- Review any other reports that SIOR issues relating to Audit Committee responsibilities.

- **Other Responsibilities**

- As needed, perform other activities related to this charter as requested by the Board of Directors.
- As needed, review and assess the adequacy of the committee charter annually, requesting board approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.
- Confirm annually that all responsibilities outlined in this charter have been carried out.

**b. Conference Committee**

The Conference Committee will consist of a Chair and six members, which will include the Speaker of the Chapter Leadership Council, the SIOR Treasurer, and three (3) additional members. The committee is charged with providing outstanding programs and speakers at SIOR world conferences, creation and management of conference agendas and activities to maximize the attendee experience, and oversight of the conference site selection process. The committee reports to the Member Coalition Council.

**c. Governance Committee**

The Governance Committee is a Committee of the Board of Directors. Composition of the Governance Committee is set forth in the Bylaws.

Duties of the Governance Committee include:

1. Coordinating the functioning of the Board of Directors and the Board's standing committees, keeping the Board Governing Mission updated, setting Board member performance standards, and monitoring the performance of the Board as a whole and of individual Board members.
2. Recommending revisions in the SIOR Bylaws to the Board of Directors in the interest of stronger governance and management of SIOR affairs.
3. Developing and keeping updated a profile of preferred Board member attributes and qualifications and fashioning and executing strategies to promote the appointment of qualified candidates to fill Board vacancies, serving in an advisory capacity to the Nominating Committee.
4. Developing and overseeing execution of a formal Board member capacity building program, including such elements as orientation of new members,

continuing education and training, and a mentoring program pairing new with senior Board members.

5. Biennially nominating an SIOR member to serve as liaison to the National Association of REALTORS® for a two-year term.
6. Developing and maintaining a strong Board . EVP partnership.
7. Ensuring effective Board . EVP communications, including the content, format, and frequency of President & EVP reports to the Board, as well as the less formal process of President & EVP interaction with Board members.
8. Ensuring that the EVP employment contract and position description are updated as necessary to reflect changing SIOR needs, priorities, and circumstances.
9. Establishing EVP performance targets, annually or semi-annually evaluating EVP progress in achieving these targets, and determining the EVP's compensation.
10. Taking action on behalf of the Board of Directors in true emergency situations, when a significant action cannot wait until the next scheduled Board meeting and it is not practical to assemble a quorum of the Board . either in-person or via teleconference.
11. Serve as a sounding board for sensitive staff issues.
12. Act as a conduit and sounding board for recommended strategic initiatives.
13. When required to, conduct an executive search for consideration of the Board.
14. When authorized by the Board of Directors, take such executive action as directed.

The Governance Committee will meet during the Spring World Conference, Fall World Conference, and periodically by conference call. Four (4) of the voting members of the Governance Committee will constitute a quorum.

#### **d. Membership Standards & Admissions Committee**

The Membership Standards & Admissions Committee will consist of a Chair, and two (2) Vice-Chairs that respectively oversee admissions policy (membership standards subcommittee) and the execution of admissions policy (admissions subcommittee). The two subcommittees work together to resolve membership and admissions issues and ensure SIOR's admissions process is fair and conducive to attracting the industry's best practitioners. Whenever possible the composition of the committee should be geographically diverse, with at least half the members currently or previously serving in the capacity of Chapter Admissions Chair.

#### **e. Nominating Committee**

The Nominating Committee will consist of the immediate past Board Members-at-Large and Board Members-at-Large one (1) year removed, immediate past Regional Directors and the Regional Directors one year removed, the immediate past Speaker of the Chapter Leadership Council (CLC), the SIOR Penultimate Past President, who serves as Chair, and the SIOR Immediate Past President, who serves as Vice-Chair. Nominating Committee members will serve two-year terms, staggered so that one-half rotate off the committee each year. The Penultimate Past President and the Immediate Past President will serve one (1) year terms on the committee.

For purposes of nominating candidates for election, the Nominating Committee will be divided into two subcommittees:

- Board Selection Subcommittee, headed by the Penultimate Past President & consisting of past Board members on the committee, will annually nominate a SIOR Vice President for a one-year term, who will advance to the President-Elect position and the Presidency in the two succeeding years; three (3) Board Members-at-Large for two (2) year terms, who are eligible to serve an additional two (2) year term if elected to do so. A Treasurer will be elected during odd-numbered years for a two (2) year term, and may serve an additional two (2) year term if elected to do so.

At the beginning of the year, the SIOR Board of Directors will provide to the Nominating Board Selection Subcommittee a listing of desired new Board officer skills and/or attributes. The Subcommittee will consider this information when vetting potential candidates for Board officer positions.

- Regional Director Selection Subcommittee, headed by the Immediate Past President and consisting of the immediate past Speaker of the CLC and past Regional Directors on the committee, will annually nominate five (5) Regional Directors for presentation to the Chapter Leadership Council for election. Regional Directors of the Canada, Great Lakes, Northeast, South, and West Regions will be elected for a two (2) year term in odd-numbered years, and those of the Central, Mid-Atlantic, Northwest, Southeast, and Southwest Regions will be elected for a two (2) year term during even-numbered years.

Outgoing Regional Directors have the responsibility of recruitment of interested, prospective successor candidates from their region for Regional Director and encouraging these candidates to submit an application for the Regional Director position.

#### **f. Non-Dues Revenue Committee**

The Non-Dues Revenue Committee will consist of a Chair, the SIOR Treasurer, the Chair of the Technology and Communications Committee, the Chair of the Conference Committee and other members appointed by the Governance Committee. The function of this committee is to increase revenue related to sponsor, exhibitor, advertising, and other non-dues sources, through oversight of the efforts of SIOR's Active Members, as supported by the SIOR staff and its outside vendor. The Chair of this committee will report to the Treasurer.



#### **g. Past Presidents Committee**

Each Member who has previously served as President of SIOR is a member of the Past Presidents Committee. Any Committee member may attend a Board of Directors meeting, and Committee members may provide advice on any issues facing SIOR. The Committee also selects recipients of the SIOR Distinguished Service Award, and serves as a personnel resource for special task forces or other special committees. Committee members may, on request of the Nominating Committee, provide advice during the nominating process. Five members of the Committee will constitute a quorum.

#### **h. Performance Oversight and Monitoring Committee (POM)**

The POM Committee is a Committee of the Board of Directors. Composition of the POM Committee is set forth in the Bylaws.

The committee works with the EVP to design programmatic and financial performance reports for the board to use to monitor organizational performance. In addition, the committee reviews and recommends operational policies that merit the board's attention.

Other responsibilities of the POM committee include:

- Reviews and discusses performance reports to gain full understanding before reporting findings to the board.
- Reviews operational policies that warrant board attention and recommends policy revisions when needed.
- Conducts, in conjunction with staff, annual member satisfaction survey to solicit feedback on individual programs and services, and reports findings to the Board.
- Manages SIOR investments. In this role the committee reviews and recommends investment strategies and policies.
- Monitors financial policies and makes recommendations for policy changes, when appropriate.

#### **i. Planning and Program Development Committee (PPD)**

The PPD Committee is a Committee of the Board of Directors. Composition of the PPD Committee is set forth in the Bylaws. The committee is charged with designing and facilitating SIOR's strategic planning and annual operational planning cycles, and ensuring the Board's active participation in both.

In this capacity the PPD Committee:

- Reaches agreement with the EVP and Treasurer on the SIOR planning and budget development cycle, and ensures that the Board participates fully and proactively in the planning process.
- Oversees the process and preparation for updating SIOR's Annual Operating Plan (AOP) and developing, when appropriate, a multiple-year strategy document. As part of this process the PPD defines and targets specific groups (including the Board of Directors) to participate in strategy development. In

addition, the PPD works with staff and/or consultants to compile and analyze information for the purpose of making strategic recommendations to the Board.

- Recommends to the Board of Directors strategic issues that SIOR\$ should focus on, continually reviews and assesses critical planning statements (mission, vision, core values) to ensure relevance, and addresses organizational policy issues that have strategic impact and merit Board attention.
- Ensuring . as part of the annual operational planning/budget preparation process . that all program plans include both financial and programmatic performance targets that the Performance Oversight and Monitoring Committee (POM) can use in monitoring the programmatic and financial performance of all current SIOR programs.

#### **j. Professional Standards Committee**

The Professional Standards Committee will consist of a Chair, a Vice-Chair and not more than 18 members representing geographically diverse areas (including a representative from each of SIOR\$ regions when possible). Recent experience on a local grievance or professional standards committee is preferred for appointment to this committee and other dispute resolution experience (mediation, arbitration, ombudsman) is helpful. Familiarity with SIOR\$ Code of Ethical Principles and Standards of Professional Practice and its enforcement and administrative procedures is essential.

The purposes of the Professional Standards Committee are to investigate, review, and evaluate ethics complaints and arbitration requests to determine their efficacy and the course required for the appropriate disposition of such matters (through grievance review boards which are formed as needed), to provide mediation and arbitration facilities for the resolution of financial and contractual disputes involving members (through mediators and hearing panels formed as needed); to conduct hearings for the adjudication of complaints involving allegations of professional misconduct by SIOR members (through hearing panels formed as needed); to evaluate and recommend changes to the Code and its related policies and procedures, to develop case studies and other interpretational aids to demonstrate the application of the Code in business and professional circumstances; and to oversee the Ethics Forum, which provides a pool of members who are interested and experienced in professional standards to fulfill SIOR\$ grievance review and hearing panel needs.

#### **k. Technology and Communications Committee**

The Technology and Communications Committee will consist of a Chair, a Vice-Chair, and at least 12 members. This committee reports directly to the Member Coalition Council. The function of the committee is to analyze, review, and propose best practices for SIOR digital media communication vehicles, such as the website, blog, social media accounts (Twitter, Facebook, Linked In), videos, e-newsletters, *SIOR Report* magazine and mobile apps. In addition, the committee will recommend programs to encourage and increase member participation and expand members' abilities to leverage digital and social media resources.

## **D. Task Forces**

Task Forces may be formed by the Board Directors. They must be charged with a specific assignment, and will be dissolved after two years, even if their work is not completed. If additional work needs to be done, a new task force must be convened or the work of the task force will be assigned to a committee.

## **E. Forums**

Committees may establish %Committee Forums+composed of (a) new, non-voting members and/or (b) members who have completed their terms but are asked by the committee chair to continue their service on the committee. Forum members may participate in committee meetings and conference calls, but do not have a vote. After a two-year term as a Forum Member, the member will be eligible to join said committee as a voting member.

## **4.8. MEMBER GROUP STRUCTURE AND DESCRIPTIONS**

### **A. Defining Member Groups**

Member groups form organically to represent the interests of their respective constituencies. Member groups help develop tailored value propositions that drive ROI and positively impact organizational recruitment and retention efforts. When member groups reach critical mass they are officially recognized by the Board of Directors and their group leader is given a seat on the Member Coalition Council.

### **B. Member Group Leadership and Structure**

Member Groups select and establish their own leaders and leadership terms. Member Groups, like committees, have the ability to put forth recommendations/motions for organizational consideration. All Member Group recommendations are submitted to the Membership Coalition Council for review and discussion. Any Member Group recommendations that impact admissions or membership requirements must also be submitted to the Chapter Leadership Council in addition to the Member Coalition Council.

### **C. Board Recognized Member Groups**

#### **a. Diversity Member Group**

An open group consisting of a chair and a supporting vice chair. In alignment with SIOR's strategic mission and vision, the focus of the group is to cultivate organizational diversity through recruiting, networking and other value added services.

#### **b. Faculty Member Group**

A closed group consisting of a chair and two vice chairs, each managing a subgroup (Recruitment Subgroup and Training and Development Subgroup). The Faculty Member Group will be charged with:

1. Establishing objective instructor criteria and determining instructor qualifications accordingly.
2. Establishing instructor development programs.
3. Reviewing instructor performance.

**c. International Member Group**

A closed group for members who reside and conduct business outside of the United States and Canada, the International Member Group's mission is to increase SIOR membership and recognition of the SIOR designation on an international basis, to develop and monitor implementation of a strategic international plan, and to act as a de facto international chapter for geographical areas that do not yet have Chapters. The group is led by a Chair and Vice-Chair.

**d. Office Member Group**

Led by a Chair and three (3) Vice-Chairs focused on membership, education and sponsorship, the mission of the Office Working Group is to help SIOR emphasize and improve the power of %Office+ in the %SIOR+ brand. The mission is accomplished through providing relevant office programming and content, web tools, focused networking, institutional office ownership involvement, corporate and independent broker collaboration, office membership recruiting, and SIOR brand awareness to the office landlord and tenant audience.

**e. Young Professionals Member Group**

An open group for Members and Candidates 45 years of age and under. Consists of a Chair, a Vice-Chair, and no more than 15 voting members. Its functions are to identify and recommend benefits and services that enhance the value of membership to younger SIORs. To promote these benefits, to plan and host Young Professionals meetings and networking events, to recommend educational and professional development programming for conference events and breakout sessions, and to maintain a Young Professionals section of the SIOR Web site.

## **SECTION 5.**

### **FINANCIAL POLICY**

#### **5.1. FINANCIAL POLICY GUIDELINES**

- **Basis of Accounting**

The financial statements are prepared on the accrual basis of accounting, whereby revenue is recognized when earned and expenses are recognized when incurred.

- **Property and Equipment**

Acquisitions of property and equipment greater than \$1,000 are recorded at cost and depreciated using the straight-line method over their estimated useful lives of 3 to 10 years.

- **SIOR Capitalization Policy**

SIOR maintains a capitalization policy as follows:

All capital expenditures having an expected useful life in excess of one year and a cost in excess of \$1,000 are to be capitalized. Assets are removed from the fixed asset accounts when it has been determined that the asset is no longer operable, has been replaced, or is no longer available for use. Fully depreciated items that are still in use should still be accounted for in a separate fixed asset ledger along with all other fixed assets.

- **Income Tax Status**

SIOR is generally exempt from federal income taxes under the provisions of Section 501(c)(6) of the Internal Revenue Code.

- **Expense Accounts**

SIOR reimburses employees, elected officers, course instructors, non-member speakers, and certain consultants (depending on contractual arrangements) for expenses incurred while conducting SIOR business. Policies, procedures, and guidelines for the recording and accounting of legitimate expenses for reimbursement by the SIOR are detailed in the SIOR Operating Manual, which is maintained by the Executive Office. Reimbursable expenses are reported on an expense report form.

SIOR members attending task force meetings held between SIOR Conferences will be reimbursed for meals, lodging, advance purchase restricted fare coach class airfare, and local transport.

- **Travel Reimbursement**

Travelers on SIOR business are expected to arrange for lodging and ground transportation at the lowest reasonable cost. SIOR reimburses advance purchase restricted fare coach class airfare for business travel. Any upgrades are at traveler's expense. Auto mileage reimbursement in accord with current federal guidelines is reimbursable. Any exceptions to this policy must be approved in advance by the Executive Vice President.

- **Accounts Payable and Receivable Procedures**

Internal accounting procedures are detailed in the SIOR Operating Manual (Accounting Policies, Procedures and Guidelines). The Executive Vice President has oversight responsibility for staff adherence to these procedures.

All invoices sent to members by SIOR (including invoices for membership dues and NAR Institute Affiliate dues), will be due and payable within 60 days. Members who fail to make payment will be terminated unless satisfactory payment arrangements have been made with the Executive Vice President.

- **Budget Policy and Procedures**

SIOR's fiscal year coincides with the calendar year. Budget planning for the subsequent year begins in spring with an initial meeting of the Board's Planning and Program Development (PPD) Committee. Throughout the spring and summer the PPD Committee works to develop the SIOR Annual Operating Plan for the subsequent year. In late summer, draft budgets are submitted by departments for review by the Executive Vice President, Senior Vice President of Operations, and the staff chief financial officer. The proposed budget is then presented to the Treasurer and the Board's Performance Oversight and Monitoring Committee for review. The final budget is presented, by the Treasurer, to the Board of Directors for approval at its fall meeting.

Any unbudgeted expenditures over \$10,000 and up to \$75,000 must be approved in advance by the Governance Committee in consultation with the Treasurer. Unbudgeted expenditures over \$75,000 must be approved in advance by the Board of Directors.

- **EVP Responsibilities: Financial Planning and Budgeting**

Financial planning for any fiscal year or the remaining part of any fiscal year will not deviate materially from the board's specific priorities, risk fiscal jeopardy, or fail to be derived from a multiyear plan.

The Executive Vice President will settle payroll and debts in a timely manner, not allow tax payments or other government-ordered payments on filings to be overdue or inaccurately filed, not acquire, encumber or dispose of real property without Board approval, and will aggressively pursue payment of receivables after a reasonable grace period.

- **Contract Authority**

Authority to sign contracts on behalf of SIOR rests with the Executive Vice President. The Senior Vice President of Operations may sign contracts on behalf of SIOR if authorized in advance by the Executive Vice President.

- **Technology Reserve**

SIOR, at the Board's discretion, may periodically designate a portion of reserves to be used for future technology purchases. Allocations to this fund will be reviewed and recommended by the Board's Performance Oversight and Monitoring Committee. SIOR will continue to have funds available in the technology expense budget to cover technology needs not considered to be major.

- **Audit**

An independent audit of SIOR's financial statements will be conducted at least annually.

## 5.2. INVESTMENT POLICY

The Investment Policy set forth and following is designed to achieve a single objective:

*"Realization of optimum investment return consistent with protection of principal."*

This Investment Policy will be followed by SIOR and will be strictly applied by the SIOR Treasurer or a designee as part of the responsibilities of the Treasurer as custodian of all SIOR funds and of the SIOR Board of Directors as the overall governing body.

For the purposes of managing investment risk and to optimize investment returns within acceptable risk parameters, the funds are divided into two separate investment pools: the Operating Fund and the Reserve Fund. Investments in both funds will be diversified to minimize the risk of large losses, unless under the circumstances, it is clearly prudent not to do so.

No officer, board member, committee member, or employee (or any relative of such a person) of SIOR may accept or receive a commission or personal benefit resulting from investment activities.

At no time shall SIOR invest in the following instruments:

1. Privately-held securities, i.e., securities that are not publicly traded.
2. Physical assets not used in the normal operations of the organization, such as jewelry and precious metals.
3. Lending securities or using leverage through the use of futures and margining of marketable securities, unless approved in writing by the Board's Performance Oversight and Monitoring Committee.

### A. Operating Fund

These funds are to be used to meet the financial obligations that arise from the day-to-day activities of SIOR. The investment objectives of the Operating Fund are preservation of capital, liquidity, and optimization of investment returns within the constraints of the policy guidelines.

The Operating Fund targeted balance will be comprised of 50% of the next year's annual budget expenditures plus capital expenditures, plus strategic initiatives, less depreciation as approved by the Board of Directors at the Fall World Conference (FWC). The amount will be rounded to the nearest hundred thousand. The re-balancing of the Operating Fund will be done annually and calculated as of November 30th each year. Any funds in excess of this amount will be transferred to the Reserve Fund. If funds are less than this amount, the Reserve Fund will transfer to the Operating Fund the amount necessary to bring the Operating Fund to the 50% level, as calculated above.

The assets will be invested in securities with a maturity of five years or less.

The Chief Financial Officer may invest operating funds in the following:

1. Checking accounts in federally insured banks and savings institutions
2. U.S. Treasury bills, notes and bonds

3. Mutual and Money Market Funds that invest solely in U.S. Government Securities, are guaranteed by the U.S. Government, or have an implied guarantee by the U.S. Government
4. Short-term investment funds
5. Commercial paper (rated A1, or equivalent, or better)
6. Bankers' Acceptances
7. Repurchase agreements (as overnight sweeps or temporary investments of otherwise idle funds that are collateralized by U.S. Government and Agency securities)
8. Certificates of Deposit insured by FDIC or FSLIC, not to exceed \$100,000 per institution
9. U.S. Government and Agency securities
10. Corporate notes and bonds (rated BBB, or equivalent, or better)
11. Other securities that are recommended by the approved investment advisor, providing these securities have a maturity of five years or less.

Notwithstanding the above, up to Twenty Five (25%) percent of the total Operating Fund may be invested in Mutual Funds or Exchange Traded Funds (including similar pooled investments and separately managed accounts) which are selected on the basis that they invest in Equity Indices. The equity assets class may reflect an allocation of both domestic and international equities as well as, any nine style combinations based on market capitalization (Large, Mid, Small) and style (Value, Growth, Blend). The equity allocation may also include exposure to both developing and emerging markets. The Operating Fund shall be re-balanced each year as of November 30th.

Operating fund investments may be (a) direct or (b) indirect. If indirect, they must be made through an intermediary that is explicitly recommended by the approved investment advisor. Any intermediary must be subject to regulation by the U.S. Government or an agency thereof, or be wholly controlled by one or more entities, the majority of which are also subject to such regulations.

## **B. Reserve Fund**

Reserve Fund is to be invested in equities with an average S&P rating of B Plus or better and fixed-income securities with an average S&P rating of BBB or better or are to be invested in funds whose securities have the same average rating. The investment objectives of the Reserve Fund are preservation of capital, liquidity, capital appreciation, and optimization of investment returns within the constraints of the policy guidelines. The investment strategy of the Reserve Fund is to emphasize total return, that is, the aggregate return from capital appreciation and dividend and interest income.

The Reserve Fund will be comprised of the funds in excess of the Operating Fund as determined under the section above, Operating Fund item b). The rebalancing of the Funds will be performed annually as of November 30th. Any excess Operating Funds above the targeted Operating Fund amount will be transferred to the Reserve Fund. Conversely, any shortfall in the targeted Operating Fund balance will be funded by transferring Reserve Funds to the Operating Fund.



The assets of the Reserve Fund are to be invested in liquid securities, defined as securities that can be transacted quickly and efficiently for the Reserve Fund with minimal impact on market price.

The assets are expected to provide cash flow to support the mission of SIOR over time. In time of economic uncertainties and cash flow shortages, these funds and the income they produce may be used to fund shortfalls in the operating budget.

It is expected that reserve funds will experience a growth rate over and above that which is achievable in the operating funds.

In order to achieve a prudent level of portfolio diversification, the securities of any one company should not exceed 5% of the total Reserve Fund at cost. No more than 20% of the total Reserve Fund should be invested in any one industry. Individual Treasury securities may represent 100% of the total allocation to fixed income securities. Deviation from these guidelines must be approved by the Board's Performance, Oversight and Monitoring Committee and by the Board of Directors.

The cash equivalents in which the approved investment advisor may invest are as follows:

1. Checking accounts in federally insured banks and savings institutions
2. Treasury bills
3. Money market accounts (guaranteed or having an implied guarantee by the U.S. Government)
4. Short-term investment funds
5. Commercial paper (rated A1, or equivalent, or better)
6. Bankers' Acceptances
7. Repurchase Agreements (as overnight sweeps or temporary investments of otherwise idle funds that are collateralized by U.S. Government and Agency securities)
8. Certificates of deposit (not to exceed \$100,000 per institution)

The fixed-income securities in which the approved investment advisor may invest are as follows:

1. U.S. Government and Agency securities
2. Corporate notes and bonds (with an average S&P rating of BBB or better)
3. The approved investment advisor may invest up to 40% of the Reserve Fund in fixed income securities.

The equity securities in which the approved investment advisor may invest are as follows:

1. Common stocks
2. Convertible notes and bonds
3. Convertible preferred stocks

4. American Depositary Receipts (ADR\$) of non-U.S. companies

The mutual and index funds in which the approved investment advisor may invest are as follows:

1. Mutual funds which invest in securities as allowed in this investment policy
2. Exchange-traded funds which invest in securities as allowed in this investment policy

The other assets in which the approved investment advisor may invest are as follows:

1. Guaranteed investment contracts (GIC)
2. Master limited partnerships (MLP)

The approved investment advisor, as described below, may invest up to 70% of the Reserve Fund in equities or equity funds.

1. Investments in equities will only be in investment grade securities with an average rating of B Plus or higher or in funds whose equities have an average rating of B Plus or higher.

Income from the Reserve Fund will be maintained in the Reserve Fund, unless it is required to fund cash flow shortages or shortfalls in operating budgets.

Reserve Fund may be placed with an investment advisor already advising an entity related to SIOR with the goal of obtaining lower fees.

Reserve Fund will not be commingled with the funds of another entity.

### **C. Approved Investment Advisor**

SIOR will engage the services of an investment advisor. This advisor must be approved by the Board\$ Performance Oversight and Monitoring Committee and by the Board itself.

The approved investment advisor (a) will manage the investments in the Reserve Fund and (b) may also make recommendations for the Operating Fund. The approved investment advisor will have discretion to purchase, sell, or hold the specific securities that will be used to meet SIOR\$ investment objectives.

The approved investment advisor will communicate to the SIOR Treasurer, the Executive Vice President, and the Chief Financial Officer any major changes to economic outlook, investment strategy, and other factors which affect implementation of the investment policy or fulfillment of SIOR\$ investment objectives.

The approved investment advisor will inform the SIOR Treasurer, the Executive Vice President, and the Chief Financial Officer of any qualitative change to the approved investment advisor\$ organization, including changes in portfolio management personnel, ownership structure, investment philosophy, etc.

The approved investment advisor will vote proxies on behalf of SIOR in its best interest.

The approved investment advisor will be a registered investment advisor under the Investment Advisors Act of 1940. The custodian for securities will be a member of the Securities Insurance Protection Corporation (SIPC) or Federal Deposit Insurance Corporation (FDIC).

SIOR may engage up to two (2) approved investment advisors.

On a yearly basis, the Board's Performance Oversight and Monitoring Committee will review the approved investment advisors' performance to determine results. Due to the multi-year horizon for fixed-income and equity, results will be presented and reviewed in a rolling three-year format.

The approved investment advisor will send monthly reports to the Treasurer, Executive Vice President, and Chief Financial Officer. These reports will show investment performance, including unrealized and realized gains and losses, as well as interest and dividends.

The SIOR Treasurer, Executive Vice President, and Chief Financial Officer are free to consult directly with the approved investment advisor regarding investment recommendations for the operating and reserve funds. In addition, they may consult with the approved investment advisor regarding all other investment matters.

The approved investment advisor may directly execute transactions in accordance with this policy according to the investment agreement between the advisor and SIOR. To this end, the Chief Financial Officer will provide to the approved investment advisor (a) a copy of this policy and (b) a list of authorized SIOR representatives who will periodically review transactions for compliance with this policy. The authorized SIOR representatives are the Treasurer, the Executive Vice President, and the Chief Financial Officer.

Whenever the approved investment advisor makes an investment, this advisor will send a confirmation of the transaction by the following business day to the Treasurer, Executive Vice President, and Chief Financial Officer notifying them of the investment. It is intended that this e-mail will be for information purposes only and will not be a request for the Treasurer's, Executive Vice President's, or Chief Financial Officer's approval.

This policy establishes the outer boundaries of acceptable investments. The SIOR Treasurer, Executive Vice President, and Chief Financial Officer are free to choose any mix within these boundaries.

This policy will be reviewed annually by the SIOR Treasurer, Executive Vice President, and Chief Financial Officer.

## **SECTION 6.**

### **GENERAL POLICY STATEMENTS**

#### **6.1. USE OF SIOR LEGAL COUNSEL**

SIOR retains outside legal counsel, who may be contacted by members or staff only with prior authorization from the SIOR Executive Vice President.

#### **6.2. SARBANES OXLEY POLICIES**

SIOR complies with Sarbanes Oxley policies pertaining to prohibition of retaliation for opposition to unlawful practices under the Civil Rights Act of 1964, prohibition of unethical conduct, document retention, and conflict of interest disclosure. These policies are shown below and are posted on the Members Only portion of the Web site in the Governance (Documents) section.

All Board members and staff at Director level and above are required to sign a statement acknowledging their understanding of and agreement to comply with the conflict of interest policy, and to annually submit a conflict of interest disclosure statement.

##### **A. Whistle Blower Policy**

#### **NOTICE TO ALL EMPLOYEES OF THE ASSOCIATION: RETALIATION IS UNLAWFUL**

The Association is committed to maintaining a work environment free from retaliation for opposition to any practice declared unlawful under Title VII of the Civil Rights Act of 1964; or because of the filing of a charge; giving testimony or assistance; or participation in any manner in any investigation, proceeding or hearing under Title VII. The Association personnel policy prohibits discrimination on the basis of retaliation.

The Association has, and will continue to post a policy on the employeesqwebsite, a policy and complaint procedure concerning all EEOC/Civil Rights matters.

#### **COMPLAINTS**

When an employee has reason to believe that he or she has been subject to retaliation, the employee should report such incidents to the Executive Vice President, SIOR. In the event that any complaint involves the Executive Vice President, SIOR, the employee may report such incidents to legal counsel to The Association (Vincent M. Policy, Greenstein, DeLorme & Luchs, Washington, DC).

All incidents of retaliation shall be promptly investigated by The Association. Violations of this retaliation policy will not be permitted and will result in disciplinary action up to and including discharge. Employees may also file complaints with the EEOC, regardless of whether or not they file 30a grievance and/or participate in the complaint procedure of the Association.

Federal law requires that there be no discrimination against any employee or applicant for employment because of the individual's race, color, religion, sex, or national origin with respect to hiring, promotion, discharge, compensation, or other terms and conditions of employment.

Federal law prohibits retaliation against any applicant or employee because the applicant or employee files an employment discrimination charge against the employer, opposes employment discrimination, or cooperates with or participates in the government's investigation of a charge of discrimination.

Should you have any complaints of retaliation, or other acts of employment discrimination you can contact the EEOC at 500 W. Madison Street, Suite 2800, Chicago, IL 60661 or at (312) 353-2713.

## **B. Ethical Standards and Reporting**

### **UNETHICAL CONDUCT REPORTING DOCUMENT**

As a responsible not-for-profit organization, it is our intent that the Society of Industrial and Office Realtors (~~The Association~~) be committed to adhering to a code of conduct that supports a workplace that is free of illegal and unethical behavior. The Association defines Unethical Conduct as any behavior that is illegal or that violates Association policies and procedures including, but not limited to, that which results in financial fraud, misrepresentation of financial statements, theft of Association assets, accepting gifts or gratuities of substantial value (substantial meaning any amount in excess of \$250) from vendors of the Association or from anyone who could be perceived as having a special interest. Unethical Conduct also includes pressuring or causing any employee to perform any of these acts.

It is the responsibility of all directors, officers, employees and volunteers to uphold the ethical standards of the Association and to be committed to the highest possible levels of openness and accountability. The Association encourages anyone with questions regarding the applicability or interpretation of these standards to raise them with their supervisor, the Human Resources Department, Internal Auditor or the next level of management.

Any person may make a good faith (~~Good faith~~) means that the reported has a reasonably held belief that the disclosure is true, has some factual basis to believe it is true and has not made it either for personal gain or for any ulterior motive) complaint, report or disclosure of Unethical Conduct. Under no circumstances will any director or employee be subject to any disciplinary or retaliatory action for reporting a violations or potential violation in good faith. If an employee makes a disclosure in good faith pursuant to this policy and any facts alleged are not confirmed by subsequent investigation, no action will be taken against the person making the complaint. However, filing known false malicious reports will not be tolerated and anyone filing such reports will be subject to appropriate disciplinary action up to and including discharge.

Any person with concerns regarding Unethical Conduct including, but not limited to, potential violations of the law and or of Association rules, policies or procedures, financial or accounting matters, internal accounting controls, or auditing matters involving someone who is below the level of Executive Vice President may report their concerns on a confidential or anonymous basis by calling or writing to the Executive Vice President for the Association. In the event the concerns involve a person at the level of Executive Vice President or above, including members of the Board of Directors, the Audit Committee, and the President, the concerned party may contact legal counsel to The Association (Vincent M. Policy, Greenstein, DeLorme & Luchs, Washington, DC) or, in the alternative, may send a confidential letter to the President of the Board of Directors or to the Chairperson of the Audit Committee of The Association. All good faith complaints shall be investigated and the person making the complaint will receive a follow up contact, either in writing, by phone, or in person, if further details are required or needed.

All good faith complaints shall be investigated and the person making the complaint will receive a follow up contact, either in writing, by phone, or in person, if further details are required or needed.

Volunteers and/or employees are required to maintain the confidentiality of information entrusted to them, except when disclosure is authorized or legally mandated.

Prompt and appropriate corrective action will be taken when and as warranted in the judgment of the appropriate authority of the Association.

Appropriate action may include disciplinary action, up to and including discharge and prosecution, if deemed necessary, against any person or persons found to have engaged in Unethical Conduct as described above.

### C. Document Retention

#### DOCUMENT RETENTION AND DESTRUCTION POLICY

TYPE OF RECORD	RETENTION PERIOD
Accident reports and claims	20 years
Accounts payable and receivable ledgers	7 years
Agreements still in effect	Permanently
Annual Report (IRS Form 990A)	Permanently
Annual reports, local	Permanently
Annual reports to National Headquarters by chapters	Permanently
Application for exemption (IRS Form 1023)	Permanently
Applications from employee (current employees)	7 years after termination
Articles of Incorporation	Permanently
Audits, internal	Permanently
Audits, external	Permanently
Bank reconciliations	11 years = current year plus 10
Bank statements	10
Bond certificates, cancelled	7 years
Bond records	Permanently
Bond statements, cancelled	11 years = current year plus 10
Budgets	7 years = current year plus 6
Bylaws	Permanently
Capital stock records	Permanently
Capital stock and bond records	Permanently
Cash books	Permanently
Cash projections	5 years
Charter	Permanently
Charts of accounts	Permanently

TYPE OF RECORD	RETENTION PERIOD
Checks, cancelled	6 years
Checks, cancelled, important payments (taxes, property, etc.)	Permanently
Child labor certificates and notices	3 years
Closed claims for or against entity	11 years = settlement plus 10
Complaint reports	20 years
Computer back-up	7 years
Computer data entry of data in permanent files	1 year
Contracts expired	7 years
Contracts still in effect, until expired plus 7 years	7 years
Copyright registrations	Permanently
Correspondence, internal office	Directives = 10 years
Correspondence, routine with customers/vendors	Directives = 10 years
Correspondence, general	3 years
Correspondence, legal	Permanently
Customer account records	3 years after closing
Deeds, expired	7 years
Deeds	Permanently
Delivery receipts	5 years = current year +4
Deposit slips, duplicates	5 years = current year +4
Depreciation schedules	5 years = current year +4
Dividend checks, cancelled	10 years
Employee, applications (unsuccessful candidates)	1 year
Employee, applications (unsuccessful candidates if subject to EEO reporting obligations)	2 years beyond expiration of reporting requirement
Employee contracts, individuals	7 years
Employee files (application, job description, performance evaluations, exit interviews)	11 years = active + 10
Employee Health Plans (SPD <sup>®</sup> )	7 years
Employee handbooks	11 years=active +10
Employee I-9 Forms (IRCA)	3 years
Employee log of occupational injuries and illnesses	6 years
Employee medical records (if workplace exposures per OSHA)	30 years
Employee payroll records (including overtime, earnings, W-2, W-4, etc.)	7 years (unless under audit then 3 years after audit conclusion)
Engineering reports	Permanently
ERISA and Retirement Fund reports	Permanently
Exit Interviews, employee	7 years after termination
Expense reports and receipts	7 years
Facilities surveys	Permanently

TYPE OF RECORD	RETENTION PERIOD
Financial assistance records (numbers, dollar value, names Demographics, etc.)	5 years
Financial statements, year end	Permanently
Garnishments	7 years
In-kind contributions, number and value	5 years
Independent contract records	10 years
Inspection Records	6 years=current year +5
- Adult Equipment	3 years
- Security Systems	3 years
- Elevators	3 years
- Facility Vehicles insurance claims, records, reports	20 years
- Insurance policies	Permanently
Internal reports	3 years
Inventory records	7 years
Invoices (to customers, from vendors)	7 years
IRS letters of exemption (State and Federal)	Permanently
Job descriptions	11 years = active +10
Journals	Permanently
Leases, expired	10 years
Leases, still in effect-until expired then	7 years
Ledgers (customer, general and private, notes payable, payroll, purchase, stock)	Permanently
Legal opinions	Permanently
Licenses	3 years after expiring
Litigation	Permanently
Membership Application - Adult	3 years after expiring
Membership Application - Family	After children majority age
Membership . Records, other forms	3 years after expiring / majority age
Minutes (board and committee meetings)	Permanently
Mortgages	Permanently
Notes, expired	Permanently
Payroll records (including bonus, general part time and temporary	7 years
Pension and retirement records	Permanently
Performance evaluation, employee	7 years after termination
Personnel manuals	Permanently
Petty cash vouchers	3 years
Price lists	7 years
Property appraisals by outside appraisers, currently held	Permanently



TYPE OF RECORD	RETENTION PERIOD
Property records, disposed property	6 years after disposal
Property records (costs, depreciation reserves, year-end trial Balances, blueprints, etc.)	Permanently
Proxies	Permanently with minutes
Purchase orders (except purchasing department copy )	1 year
Purchase orders (purchasing department copy)	7 years
Releases - Guest Waiver & Release	3 years
Releases - Adult Member Waiver & Release	3 years after membership expires
Releases - Parent/Children	3 years after majority age
Rental agreement with Third Party\$ (Facility use) w/copy Of Certificate of Insurance	7 years = active +6
Requisitions	1 year
Sales Tax Exemption Certificate	Permanently
Securities registration documents	Permanently
Securities transactions	6 years
Stock certificates, cancelled	7 years
Stock statements, cancelled	7 years
Subsidiary ledgers	Permanent
Tariffs	4 years
Tax liability documents	Permanently
Tax returns and worksheets	Permanently
Taxes, withholding statements	7 years
Taxes, sales and use tax returns	Permanently
Taxes, FICA (Social Security)	Permanently
Taxes, payroll returns	Permanently
Time cards and time books	Permanently
Trademark registrations	Permanently
Union contracts	3 years
Volunteer hours	5 years
Voucher register and schedules (for payments to vendors, Employees, etc.)	8 years = current year + 7

## D. Conflict of Interest Policy

### CONFLICT OF INTEREST POLICY

The Board of Directors of the Society of Industrial and Office Realtors (The Association) has adopted the following policy designed to avoid any possible conflict between the personal interest of board members or staff and the interests of the Association.

The purpose of this policy is to ensure that decisions about Association operations and the use or disposition of Association assets are made solely in terms of the benefits to the Association and are not influenced by any private profit or other personal benefit to the individuals affiliated with the Association who take part in the decision. In addition to actual conflicts of interest, board members and staff are also obliged to avoid actions that could be perceived or interpreted in conflict with the Association's interest.

Conflicts of interest may occur when the Association enters into transaction with not-for-profit organizations as well as those that are undertaken with profit making entities. The best way to deal with this problem is to make known one's connection with organizations doing business with the Association and to refrain from participation in decisions affecting transactions between the Association and the other organization. Such relationships do not necessarily restrict transactions so long as the relationship is clearly divulged and non-involved individuals affiliated with the Association make any necessary decisions.

1. Directors: Any member of the Board of Directors who may be involved in an Association business transaction in which there is a possible conflict of interest shall promptly notify the Chairman of the Board. The board member shall refrain from voting on any such transaction, participating in deliberations concerning it, or using personal influence in any way in the matter. The board member's presence may not be counted in determining the quorum for any vote with respect to an Association business transaction in which he or she has a possible conflict of interest. Furthermore, the board member, or the chairman in the director's absence, shall disclose a potential conflict of interest to the other members of the board before any vote on an Association business transaction and such disclosure shall be recorded in the board minutes of the meeting at which it is made. Any Association business transaction, which involves a potential conflict of interest with a member of the board of directors, shall have terms that are at least as fair and reasonable to the Association as those that would otherwise be available to the Association if it were dealing with an unrelated party.
2. Staff: Any staff member who may be involved in an Association business transaction in which there is a possible conflict of interest shall promptly report the possible conflict to the president. If the possible conflict involves the president, the possible conflict shall then be reported to the chairman of the board.

The president or where applicable, chairman, after receiving information about a possible conflict of interest, shall take such action as is necessary to assure that the transaction is completed in the best interest of the Association without the substantive involvement of the person who has the possible conflict of interest. (This does not mean that the purchase or other transaction must necessarily be diverted, but simply that persons other than the one with the possible conflict shall make the judgments involved and shall control the transaction.) Each board member and senior staff member shall complete the attached questionnaire on an annual basis.

A written record of any report of possible conflict and of any adjustments made to avoid possible conflicts of interest shall be kept by the president, or where applicable, chairman.

Definitions:

1. ~~%Involved~~ in an Association business transaction+means initiating, making the principal recommendation for, or approving a purchase or contract; recommending or selecting a vendor or contractor; drafting or negotiating the terms of such a transaction; or authorizing or making payments from Association accounts. That language is intended to include not only transactions for the Association's procurement of goods and services, but also for the disposition of Association property, and the provision of services or space by the Association.
2. A ~~%possible~~ conflict of interest+is deemed to exist where the director, or staff member, or a close relative, or a member of that person's household, is an officer, director, employee, proprietary, partner, or board member of, or, when aggregated with close relatives and members of that person's household, hold 1% or more of the issued stock in the organization seeking to do business with the Association. A possible conflict is also considered to exist where such a person is (or expects to be) retained as a paid consultant or contractor by an organization which seeks to do business with the Association, and whenever a transaction will entail a payment of money or anything else of value to the official, member, to a close relative, or to a member of that person's household.

A ~~%possible~~ conflict of interest+exists when an individual affiliated with the Association has an interest in an organization which is in competition with a firm seeking to do business with the Association if the individual's position gives him or her access to proprietary or other privileged information which could benefit the firm in which he or she has an interest.

A ~~%possible~~ conflict of interest+ also exists when an individual affiliated with the Association is a board member, director, officer or employee of a not-for-profit organization which is seeking to do business with or have a significant connection with the Association or is engaged in activities which could be said in a business contest to be ~~%in~~ competition with+the programs of the Association.

The policy statement shall be made available to each board member and each person appointed to an Association position that regularly involves initiation, review or approval of significant Association contracts or other commitments. Such people will be asked to sign the attached acknowledgement concerning reporting of potential conflicts of interest.

I have read and understand the Association's policy on Potential Conflicts of Interest. I agree to report promptly any such interest that arises in my conduct of Association business in other respects, to comply with the policy and its procedures.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## **E. Conflict of Interest Disclosure**

### **CONFLICT OF INTEREST/STATEMENT OF DISCLOSURE**

WHEREAS, it has always been, and will continue to be, the policy of the Association Board to maintain, and to encourage its directors, officers, other volunteers and employees to maintain the highest standards of ethics and propriety in activities and relations with all parties; and

WHEREAS, the Board wishes to adopt a formal Conflict of Interest/Statement of Disclosure policy for the guidance of its directors, officers, other volunteers and employees to promote adherence to the ethical standards maintained by the Board;

RESOLVED; that the following Conflict of Interest/Statement of Disclosure policy is hereby adopted:

FIRST: Directors, officers, other volunteers and employees shall adhere to the highest standards of honesty, good faith and fair dealing in all activities relating to the Association.

SECOND: No director, officer, other volunteer, employee or any member of their respective families or households should accept gifts, gratuities or favors of any kind which could reasonably be expected to influence his or her actions affecting the Association, from any person, firm or corporation doing business or seeking to do business with the Association. This prohibition is not intended to preclude business meals and other nominal benefits in the reasonable and ordinary course.

THIRD: No director, officer, other volunteer or employee should have any position of influence with, or a material financial interest in any other entity, the existence of which does or could reasonably be expected to conflict with the proper performance of his or her duties or responsibilities to the Association, or, which could reasonably be expected to affect his or her independence of judgment, including with respect to transactions between the Association and such other entity, without full and complete disclosure to and approval of the Association Board.

FOURTH: Each director, officer, other volunteer and employee should provide the Association Board with a full and complete written disclosure of all facts of any transaction or situation that is subject to any reasonable doubt concerning the possible existence of a conflict of interest by the director, officer or employee.

FIFTH: It is recognized that situations may arise in which the Association may wish to contract or enter into an arrangement for goods or services under circumstances that may present a conflict of interest. Before entering into any such contract or arrangement, the terms of the contract or arrangement should be fully and completely disclosed to the Association Board. The Association will only enter into the contract or arrangement if (i) the contract or arrangement is upon terms and conditions at least as advantageous to the Association as can be reasonably obtained from any other source for equivalent goods or services; and (ii) the Board (with any interested member abstaining) by resolution approves such contract or arrangement.

BE IT FURTHER RESOLVED, that annually the Chairman shall send to all directors, officers, other volunteers and contract employees ("selected employees") a copy of this Resolution, together with a conflict of interest/statement of disclosure which shall be completed and returned to him. Copies of the conflict of interest/statement of disclosure shall be returned to the Chairman of the Board in care of selected employees. The Chairman shall cause a confidential report to be included in the records of the corporation concerning any interests of directors, officers, other volunteers and selected employees, together with his recommendations to the Board concerning the same. The Chairman shall administer this

policy and any disputed action of the Chairman with respect to this policy shall be resolved by the Board.

BE IT FURTHER RESOLVED, that each new director, officer, other volunteer and selected employee shall participate in a similar procedure immediately upon assumption of his or her responsibilities.

#### F. Conflict of Interest Questionnaire

##### ASSOCIATION CONFLICT OF INTEREST QUESTIONNAIRE

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

Office or Position Held: \_\_\_\_\_

In responding to these questions, please note that a ~~yes~~ answer does not imply that the relationship or transaction was necessarily inappropriate.

1. Are you an officer or director of any corporation with which the ASSOCIATION has business dealings?

Yes ☐ No ☐

If the answer to the foregoing question is ~~yes~~, please list the names of such corporations, the office held and the approximate dollar amount of business involved with the ASSOCIATION for last year.

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2. Do you, or does any member of your family, have a financial interest in, or receive any remuneration or income from, any business organization with which the ASSOCIATION has business dealings?

Yes ☐ No ☐

If the answer to the foregoing question is ~~yes~~, please supply the following information:

- a. Names of business organizations in which such interest is held and the person(s) by whom such interest is held:

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- b. Nature and amount of each such financial interest, remuneration or income:

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3. Did you, or any member of your family receive during the past twelve months any gifts or loans from any source from which the ASSOCIATION buys goods or services or with which the ASSOCIATION has significant business dealings?

Yes ☐ No ☐

If the answer to the foregoing question is ~~no~~ <sup>yes</sup>, list such gifts or loans as follows:

NAME OF SOURCE	ITEM	APPROXIMATE VALUE
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_____	_____	_____
_____	_____	_____
_____	_____	_____

4. Were you involved in any other activity during the past year that might be interpreted as possible conflict of interest?

Yes ☐ No ☐

If ~~no~~ <sup>yes</sup>, please describe:

_____
_____
_____

I certify that the forgoing information is true and complete to the best of my knowledge.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## **SECTION 7.**

### **GOVERNING DOCUMENTS**

In addition to the Bylaws and this Policy Manual, members are governed by provisions in the *Code of Ethical Principles and Standards of Professional Practice*, as presently exist or as may be amended in the future.