



## **Bylaws and Official Statement of Policy**

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# Bylaws

## Article I. Name and Purpose

**Section 1.** The name of this organization shall be the Missouri Association of REALTORS®, hereinafter referred to as the “State Association.” The State Association is also known by its authorized dba, “Missouri REALTORS®.”

**Section 2.** The purpose of the State Association shall be to unite local boards and associations of REALTORS®, hereinafter referred to as Member Boards (and as defined below), their members, and REALTOR® and REALTOR-ASSOCIATE® Members in the State of Missouri for the purpose of exerting effectively a combined influence upon matters affecting real estate, to elevate the standards of the real estate business throughout the state and the professional conduct of persons engaged therein.

## Article II. Membership

The membership of the State Association shall be divided into classifications as specified in Article III. The term licensed shall mean licensed by the Missouri Real Estate Commission or licensed or certified by the Missouri Real Estate Appraisers Commission, as provided under the laws of the State of Missouri.

## Article III. Classifications of Membership

**Section 1. Member Boards.** A Member Board shall be an association chartered by the National Association of REALTORS® within the State of Missouri. All the REALTOR® and REALTOR-ASSOCIATE® members who hold primary membership in this State Association and the National Association of REALTORS®. (M)

**Section 2. Board Members.** A Board Member shall be either REALTOR®, REALTOR-ASSOCIATE®, or Institute Affiliate members of a Member Board in good standing. (M)

### **Section 3. REALTOR® Members.**

- (a) A REALTOR® member shall be any individual engaged in the real estate profession as a principal, partner, corporate officer, or branch office manager acting on behalf of the firm’s principal(s), and licensed or certified individuals affiliated with said REALTOR® member whose place of business is located in an area outside the jurisdiction of any Member Board who meets the qualifications for REALTOR® membership established below. Secondary REALTOR® membership shall also be available to individuals who hold primary membership in an association in another state and who desire to obtain direct membership in the State Association without holding membership in a Member Board. (M)
- (b) Individuals who are actively engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or branch office managers, in order to qualify for REALTOR® membership, shall at the time of application, be associated either as an employee or as an independent contractor with a Designated REALTOR® member of the State Association or a designated REALTOR® member of another association (if a secondary member). (M)

**Section 4. Designated REALTOR® Members.** Each firm (or office in the case of firms with multiple office locations) shall designate in writing one REALTOR® member who shall be responsible for all duties and obligations of membership, including the obligation to arbitrate (or to mediate if required by the State Association) pursuant to Article 17 of the National Association of REALTORS® Code of Ethics and the payment of State Association dues as established in Article XIII of these Bylaws. The “Designated REALTOR®” must be a sole proprietor, partner, corporate officer, or branch office manager acting on behalf of the firm’s principal(s) and must meet all other qualifications for REALTOR® membership established in Article III, Section 3, of these Bylaws. (M)

**Section 5. REALTOR-ASSOCIATE® Members.** REALTOR-ASSOCIATE® members shall be individuals who are engaged in the real estate profession other than as principals, partners, corporate officers, or branch office managers and do not qualify for or seek REALTOR® membership, as defined in Section 3 above. Salespersons or licensed or certified appraisers who are employed by or affiliated as independent contractors with a REALTOR® member of the State Association shall be eligible for REALTOR-ASSOCIATE® membership. REALTOR-ASSOCIATE® membership shall also be available to individuals who hold primary membership in an association in another state and who desire to obtain direct membership in the State Association without holding membership in a Member Board in this state.

**Section 6. Institute Affiliate Members.** Institute Affiliate members shall be individuals who hold a professional designation awarded by an Institute, Society or Council affiliated with the National Association of REALTORS® that addresses a specialty area other than residential brokerage or individuals who otherwise hold a class of membership in such Institute, Society or Council that confers the right to hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® or REALTOR-ASSOCIATE® membership, subject to payment of applicable dues for such membership. (M)

**Section 7. Affiliate Members.** Affiliate members shall be a person, firm, or corporation not actively engaged in the business of real estate, but in sympathy with or interested in the objectives of the State Association. Such persons, firms, or corporations may become Affiliate members of the State Association, subject to payment of applicable dues for such membership. Affiliate members shall not be eligible to vote or hold office in the State Association.

**Section 8. Honorary Members.** Honorary members shall be individuals not engaged in the real estate business who have performed notable service for the real estate profession and such membership shall be conferred by a two-thirds (2/3) vote of the Directors of this State Association. Honorary members shall not be eligible to vote or hold office in the State Association.

**Section 9. Termination of Membership.**

- (a) The membership of any member of a Member Board shall terminate whenever such membership is terminated in the Member Board.
- (b) The Board of Directors of the State Association shall have the power to expel any individual member of any classification, by a two-thirds (2/3) vote of the Directors present at any meeting, after due notice to the member and the Member Board and hearing, if such member fails to carry out the obligations of membership.

## Article IV. Officers

**Section 1. Officers.** The officers of the State Association shall be a President, President-Elect, Treasurer, Treasurer-Elect, and Immediate Past President. They shall be REALTOR® or REALTOR-ASSOCIATE® members of the State Association and have an office or be licensed with an office in the State of Missouri. All officers shall serve for one (1) year or until their successors are elected and qualified and shall be ex officio members of the Board of Directors. The Chief Executive Officer shall also be considered an officer, serving as Corporate Secretary.

**Section 2. The President.** The President shall preside at all meetings of the State Association and at all meetings of the Leadership Team, Executive Committee, and Board of Directors. The President shall appoint all committees unless otherwise directed by the Bylaws, the Policy Statement, or the Board of Directors. The President shall perform all other duties usual to such office, or as directed by the Executive Committee or the Board of Directors. The President shall serve as a non-voting ex-officio member of all committees and such other groups as may exist from time to time, unless expressly stated otherwise herein.

**Section 3. President-Elect.** The President-Elect shall assist the President and be responsible for such committees and perform such duties as designated by the President. The President-Elect shall serve on such other committees of the State Association as may be required by virtue of office or by the policies of those committees.

**Section 4. Treasurer.** The Treasurer shall be responsible for such committees and perform such duties as designated by the President and shall serve as Chair of the Finance and Budget Committee. The Treasurer shall render a year-to-date report of the financial conditions of the State Association to the Board of Directors and at such other times as requested by the Executive Committee or Board of Directors. The Treasurer shall serve on such other committees of the State Association as may be required by virtue of office or by the policies of those committees.

**Section 5. Treasurer-Elect.** The Treasurer-Elect shall assist the Treasurer and be responsible for such committees and perform such duties as designated by the President. The Treasurer-Elect shall serve on such other committees of the State Association as may be required by virtue of office or by the policies of those committees.

**Section 6. Immediate Past President.** The Immediate Past President shall perform such duties as designated by the President and shall serve on such committees of the State Association as may be required by virtue of office or by the policies of those committees.

**Section 7. Chief Executive Officer/Corporate Secretary.** The Chief Executive Officer (CEO), who shall also serve as the Corporate Secretary, shall be the administrative officer of the State Association. The CEO shall employ and supervise such Staff as may be deemed necessary to conduct the activities of the State Association and shall perform such other duties as may be delegated by the Executive Committee, Board of Directors, and the President.

**Section 8. Leadership Team.** The Officers shall collectively be referred to as “The Leadership Team.” The Leadership Team shall have the authority to meet at such times and in such manner as may be necessary to conduct the business of the State Association in accordance with the policies and actions of the Executive Committee and the Board of Directors, during intervals between the



Executive Committee meetings, except it may not (i) approve the State Association's Annual Budget; (ii) adopt or amend the State Association's Strategic Plan; (iii) amend or appeal these Bylaws; or (iv) amend or repeal the Policy Statement. The Leadership Team shall report its decisions and actions to the full Executive Committee at its next meeting. All business so conducted shall be subject to the review of the Executive Committee and, if necessary, to the Board of Directors.

## Article V. Board of Directors

**Section 1. Purpose.** The government of the State Association shall be vested in a Board of Directors.

**Section 2. Composition.** The term Director used herein, unless otherwise specified, shall include all classes of Directors.

- (a) **Member Board Directors:** Each Member Board of the State Association shall be entitled to two (2) Directors who will serve two (2) year terms except upon request from a Member Board for one (1) year terms to effect staggered terms. Further, each Member Board shall be entitled to one (1) additional Director for each one hundred (100) members or fraction thereof over the first two hundred (200) members, as follows:

- 1-200, inclusive, 2 Directors
- 201-300, inclusive, 1 additional Director
- 301-400, inclusive, 1 additional Director, and so on.

Director allotments shall be determined by the Member Board's total primary membership on record with the State Association as of July 31st of each year. In those instances, when Member Boards merge and/or change membership classification, their Director allotments will be determined by their total combined membership on record with the State Association as of July 31 of the previous year. The Director terms shall run concurrently with that of the State Association President.

All members selected for Directors shall be submitted by the President of the Member Board from which such Director was selected on a certification form provided by the State Association. Such certification shall specify the members were duly selected by the Member Board and shall contain a signed statement by the member specifying said member understands the duties and responsibilities including attendance requirements of the office of Director. Such certification must be received by the State Association Staff not less than forty-five (45) days prior to their induction at the Board of Directors Meetings.

- (b) **REALTOR® and/or REALTOR-ASSOCIATE® Directors:** REALTOR® and/or REALTOR-ASSOCIATE® members at large in the State shall be represented by one (1) Director for each one hundred (100) members or fraction thereof of such members. The Executive Committee shall recommend to the Board of Directors any individuals who request to serve as Directors representing this classification.
- (c) **Member Board President Directors:** Presidents of Member Boards shall automatically serve as Directors during their terms of office as Member Board Presidents in addition to the entitled Directors.

- (d) **Institute, Society, and Council President Directors:** The State Presidents of all state affiliated Institutes, Societies, and Councils of the National Association of REALTORS® shall automatically serve as Directors of the State Association during their terms of office. A state affiliated Institute, Society, and Council is defined as one which requires all of its members to hold membership in the State Association according to the class of license held by the individual.
- (e) **National Officers and Directors:** Members of the State Association serving as Directors or Officers of the National Association of REALTORS® shall be members of the Board of Directors of the State Association during their terms of office with the National Association of REALTORS®.
- (f) **Past Presidents:** Each President of the State Association, upon expiration of their term of office, shall become a member of the Board of Directors so long as they maintain a REALTOR® or REALTOR-ASSOCIATE® membership in good standing.
- (g) **State Committee Directors:** Members of the State Association serving as State Association Standing Committee Chairs, during their term of office, and members of the Executive Committee during their appointment to the Executive Committee.
- (h) **Life Members/REALTOR® Emeritus Members:** The Leadership Team shall appoint up to three (3) Directors each year for a one-year term. These Directors will be selected by the Leadership Team from a pool of Life Member and REALTOR® Emeritus Member applicants as defined in the State Association Bylaws and Policy Statement.

**Section 2. Votes.** All members of the Board of Directors shall have one (1) vote at all meetings of the Board of Directors.

**Section 3. Annual Budget.** The Board of Directors shall approve the annual budget and shall have sole authority to appropriate money. The accounts of the State Association shall be audited annually by a certified public accountant.

**Section 4. Executive Committee.** There shall be an Executive Committee of the Board of Directors.

- (a) Purpose: To oversee the affairs of the State Association in accordance with the policies and instruction of the Board of Directors.
- (b) Unless specifically provided otherwise, the Executive Committee may exercise the powers of the Board of Directors between meetings of the Board; however, it may not (i) approve the State Association's Annual Budget; (ii) adopt or amend the State Association's Strategic Plan; (iii) amend or repeal these Bylaws; or (iv) amend or repeal the Policy Statement. However, in instances where a policy would create an emergent, critical, and substantial impediment to the Executive Committee's ability to exercise its duties or the State Association's normal operations in between meetings of the Board of Directors the Executive Committee may amend or repeal the Policy Statement. Any action taken with regard to amending or repealing the Policy Statement shall be reported to the Board of Directors as soon as reasonably possible. All other actions taken by the Executive Committee shall be reported to the Board of Directors at its next meeting.

- (c) **Structure, Appointment, and Term:** The Executive Committee shall have fifteen (15) members consisting of the President, President-Elect, Immediate Past President, Treasurer, Treasurer-Elect, and nine (9) at-large members. The CEO shall serve with voice but without vote. The Leadership Team shall appoint three (3) of the at-large members to the Executive Committee each year. In making such appointments, the geographic diversity of the Executive Committee should be taken into account. The at-large members shall serve staggered three (3)-year terms. The at-large Executive Committee members may serve one full three (3) year term, and any term of less than three (3) years shall not be counted in such restriction on service. All such members will be eligible for re-appointment one (1) year after the end of any full three (3) year term served.
- (d) **Meetings.** The Executive Committee shall meet at least four (4) times during each calendar year although there is no requirement that such meetings be in person.
- (e) **Quorum.** At any meeting of the Executive Committee, one-third (1/3) of the total number of its members then serving shall constitute a quorum and all actions of the Executive Committee must be approved by a majority vote of those present.

**Section 5. Board of Directors Meetings.** The Board of Directors shall meet at least two (2) times a year and at such other times as the President or Executive Committee may designate, upon not less than fifteen (15) days written or electronic communication notice to each Director. Special meetings of the Board of Directors may be called by the Executive Committee. Any call for a special meeting shall state the purposes, time and place of the meeting and shall be issued in writing at least fifteen (15) days in advance of the meeting.

**Section 6. Absence from Board of Directors Meetings.** Member Board Directors and REALTORS® and REALTOR-ASSOCIATE® Directors must attend at least two (2) Board of Directors meetings each calendar year. If a Director fails to meet this attendance requirement without having been excused by the Leadership Team as set forth below, that Director shall be construed as having resigned, and the vacancy for the unexpired term shall be filled by the applicable Member Board as it deems fit; provided, however, that such vacancy may not be filled with the same person who was construed as having resigned. The President shall notify the Director in writing copied to the local Member Board, and Member Board President that resignation has been accepted and a vacancy now exists.

A Director who fails to attend a Board of Directors meeting shall be excused from attendance at that meeting if that Director submits a written request for an excused absence along with reasonable supporting evidence to the President of the State Association not later than twenty (20) days after the date of such meeting (“Excused Absence Request”). The Leadership Team shall review the Excused Absence Request and may grant an excused absence in the event of personal illness, significant family events (including serious illness or death of an immediate family member or person under the care of the member), undue hardship (including military service commitments, extreme weather conditions and other “force majeure” events) and serious personal emergencies. The President shall notify the Director and the President of the Director’s Member Board of the Leadership Team’s decision in writing, which decision shall be final and not subject to appeal.

**Section 7. Vacancies.** Vacancies by resignation or otherwise of Member Board Directors in the Board of Directors shall be filled by the Member Board in which said vacancy exists as it deems fit (except

as set forth in Section 6 above). The State Association shall be duly notified of the filling of such vacancies by the President of the Member Board.

**Section 8. Quorum.** One-third (1/3) of voting members present shall constitute a quorum.

**Section 9. Concurrent Directors.** If an elected Member Board Director receives an appointment as a Director by virtue of being appointed to any State Association Standing Committee or upon election to Member Board President, Institute, Society, and Council President, National Director from Missouri, and/or state officer, the Member Board may elect to have the : 1) elected Member Board directorship and appointed directorships served concurrently and not create a vacancy of the elected Member Board directorship; or 2) elected Member Board directorship deemed vacant, and filled the elected Member Board directorship as set forth above.

## Article VI. Election of Officers

**Section 1. Election.** The election of Officers shall be by Directors and shall take place at the last Board of Directors meeting each year.

### Section 2. Term of Office.

- (a) The term of office of the President shall be the calendar year beginning January first following the last business conference of each year.
- (b) The terms of office of the Immediate Past President, President-Elect, Treasurer, and Treasurer-Elect shall run concurrently with that of the President. Unless the Board of Directors determines that succession would not be in the best interest of the State Association:
  - i. The President shall succeed to the office of Immediate Past President
  - ii. The President-Elect shall succeed to the office of President; and
  - iii. The Treasurer-Elect shall succeed to the office of Treasurer.

**Section 3. Vacancies. Offices — Temporary.** Any temporary vacancy (meaning that it is reasonably expected that such officer will return to fulfill the duties of their office prior to expiration of their term) in the State Association office of Immediate Past President, President, President-Elect, or Treasurer shall be filled by the most recent Past President (other than the Immediate Past President) willing to serve during such temporary vacancy.

**Section 4. Vacancies in Offices — Permanent.** Any permanent vacancy, by resignation or otherwise, in the State Association office of Immediate Past President, President, President-Elect, Treasurer, or Treasurer-Elect shall be filled as follows:

- (a) In the event of a vacancy in the office of **Immediate Past President**, the most recent other Past President willing to serve shall be appointed by the Executive Committee to fulfill the remaining balance of the vacated term.
- (b) In the event of a vacancy in the office of **President**, the President-Elect shall first be given the option to succeed to the office of President. If the President-Elect accepts (by confirming

such succession in writing within thirty (30) days), then they shall fulfill the remaining balance of the vacated term as President Pro Tem. Such service shall not impact or cause to be shortened in any way the full term to be served as President for which that person was originally elected. If the President-Elect declines (or fails to confirm such succession in writing within thirty (30) days), then the most recent Past President (other than the Immediate Past President) willing to serve shall be appointed by the Executive Committee to fulfill the remaining balance of the vacated term as President Pro Tem.

- (c) In the event of a vacancy in the office of **President-Elect**, the Treasurer shall first be given the option to succeed to the office of President-Elect. If the Treasurer accepts (by confirming such succession in writing within thirty (30) days), then they shall fulfill the remaining balance of the vacated term as President-Elect Pro Tem. Such service shall not impact or cause to be shortened in any way the full term to be served as President-Elect for which that person was originally elected. If the Treasurer declines (or fails to confirm such succession in writing within thirty (30) days), then the most recent Past President (other than the Immediate Past President) willing to serve shall be appointed by the Executive Committee to fulfill the remaining balance of the vacated term as President- Elect Pro Tem.
- (d) In the event of a vacancy in the office of **Treasurer**, the Treasurer-Elect shall first be given the option to succeed to the office of Treasurer. If the Treasurer-Elect accepts (by confirming such succession in writing within thirty (30) days), then they shall fulfill the remaining balance of the vacated term as Treasurer Pro Tem. Such service shall not impact or cause to be shortened in any way the full term to be served as Treasurer for which that person was originally elected. If the Treasurer-Elect declines (or fails to confirm such succession in writing within thirty (30) days), then the most recent Past President (other than the Immediate Past President) willing to serve shall be appointed by the Executive Committee to fulfill the remaining balance of the vacated term as Treasurer Pro Tem.
- (e) If the **Treasurer-Elect** shall resign or otherwise be unable to fulfill the duties of the office of Treasurer prior to the commencement of their term, then a separate election for the office of Treasurer shall be conducted as set forth in (vi) below.
- (f) As an inherent consequence of the above process then, there shall be an election for both (i) the incoming Treasurer (i.e., the “Treasurer-Elect” as set forth at Section 2(c) above), and (ii) the applicable office for which succession is not possible as a result of such permanent vacancy, at the next regularly scheduled Board of Directors meeting; provided, however, that if there is not sufficient time to prepare for an election as described in (ii), then such vacancy shall be filled at one of the next two scheduled meetings of the Board of Directors. Nominations shall be solicited and accepted from all Member Boards and REALTOR® and REALTOR-ASSOCIATE® members of the State Association; provided, however, that nominations for any such office must be submitted to the State Association Staff not less than ten (10) days prior to the election at such Board of Directors meeting. The CEO shall report out at least one (1) candidate for each office to be filled, and such report shall be announced and conspicuously displayed before the time set for the election.

## Article VII – Committees

**Section 1.** The Leadership Team shall be responsible for appointing the State Association’s Standing and Ad Hoc Committees and other committees as needed per the State Association’s Bylaws and Policy Statement.

**Section 2.** The Leadership Team may appoint such other volunteer groups as they deem advisable and the President shall be an ex officio member of all such groups.

**Section 3.** State Association committees shall have such duties as their titles indicate, and as the Leadership Team, Executive Committee, or Board of Directors may assign.

## Article VIII. Annual Membership Meeting

**Section 1. Annual Membership Meeting.** The State Association shall hold an Annual Membership Meeting, the time and place to be designated by the Board of Directors at least sixty (60) days prior to the Annual Meeting. Board Members, REALTOR®, and REALTOR-ASSOCIATE® members in good standing and present at the Annual Membership Meeting shall be delegates, entitled to participate in all discussions and deliberations. Each delegate shall be entitled to one (1) vote. Voting to be by ballot upon request of any voting member at a meeting of the general membership.

**Section 2. Quorum.** One-third (1/3) of voting members present shall constitute a quorum for the Annual Membership Meeting.

**Section 3. Annual Audit Report.** The Treasurer shall report on the annual audit of the State Association at the Annual Membership Meeting.

## Article IX. Fiscal Year

The fiscal year of the State Association shall be the calendar year.

## Article X. Creation of Reserves

The creation of permanent or “temporary” Reserves, as recommended by the Finance and Budget Committee, shall require the majority vote of the Board of Directors. The use of Reserves, which restricts the budgetary controls normally exercised in daily accounting and required by Generally Accepted Accounting Standards and Practices, shall be limited.

“Temporary” Reserves shall include firm “sunset” provisions as recommended by the Finance and Budget Committee and approved by majority vote of the Executive Committee.

The creation of permanent Reserves, as recommended by the Finance and Budget Committee, shall require the majority vote of the Board of Directors. The use of additional permanent Reserves shall be severely limited due to the loss of budgetary controls normally exercised in daily accounting and required by “Generally Accepted Accounting Standards and Practices.”

## Article XI. Code of Ethics and Fair Housing Training

The Code of Ethics of the National Association of REALTORS® is adopted as the Code of Ethics of the State Association and shall, in the future, be deemed to be amended and changed whenever said Code of Ethics is amended or changed by the National Association of REALTORS®. (M)

**Section 1. New Member Code of Ethics Orientation.** Applicants for REALTOR® and REALTOR-ASSOCIATE® membership shall complete an orientation program on the Code of Ethics of not less than two (2) hours and thirty (30) minutes of instructional time. This requirement does not apply to applicants for REALTOR® membership who have completed comparable orientation in another association, provided that REALTOR® membership has been continuous, or that any break in membership is for one (1) year or less.

Failure to satisfy this requirement within 366 days of the date of application will result in denial of the membership application. (M)

**Section 2. Continuing Member Code of Ethics Training.** Effective January 1, 2019, through December 31, 2021, and for successive three (3) years periods thereafter, each REALTOR® and REALTOR-ASSOCIATE® member and Life Member of the State Association (with the exception of REALTOR® members granted REALTOR® Emeritus status by the National Association of REALTORS®) shall be required to complete ethics training of not less than two (2) hours and thirty (30) minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another REALTOR® association, the National Association of REALTORS®, or any other recognized educational institution or provider which meets the learning objectives and minimum criteria established by the National Association of REALTORS® from time to time. Members who have completed training as a requirement of membership in another association and members who have completed the New Member Code of Ethics Orientation during any three (3) year cycle shall not be required to complete additional ethics training until a new three (3) year cycle commences. Failure to satisfy this requirement shall be considered a violation of a membership duty. Failure to meet this requirement in any two (2) year cycle will result in suspension of membership for the first two months (January and February) of the year following the end of any two (2) year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated. (M)

**Section 5. New Member Fair Housing Orientation.** Applicants for REALTOR® membership shall complete Fair Housing training of not less than two (2) hours of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another REALTOR® association, the National Association of REALTORS®, or the Institutes, Societies, and Councils, which meets the learning objectives and minimum criteria established by the National Association of REALTORS® from time to time. Fair Housing training approved by a state licensing authority for an existing Fair Housing requirement to gain or maintain licensure shall also fulfill this requirement, provided it also meets the learning objectives and minimum criteria established by the National Association of REALTORS® from time to time. This requirement does not apply to applicants for REALTOR® membership who have completed comparable orientation in another association, provided that REALTOR® membership has been continuous, or that any break in membership is for one (1) year or less.

Failure to satisfy this requirement within 366 days of the date of application will result in denial of the membership application or termination of provisional membership. (M)

**Section 6. Continuing Fair Housing Training.** Effective January 1, 2025, through December 31, 2027, and for successive three-year periods thereafter, each REALTOR® member of the State Association (with the exception of REALTOR® members granted REALTOR® Emeritus status by the National Association) shall be required to complete Fair Housing training of not less than two (2) hours of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another REALTOR® association, the National Association of REALTORS®, or the Institutes, Societies, and Councils, which meets the learning objectives and minimum criteria established by the National Association of REALTORS® from time to time. Fair Housing training approved by a state licensing authority for an existing Fair Housing requirement to maintain licensure shall also fulfill this requirement, provided it also meets the learning objectives and minimum criteria established by the National Association of REALTORS® from time to time. REALTOR® members who have completed Fair Housing training as a requirement of membership in another association shall not be required to complete additional Fair Housing training until a new three-year cycle commences.

Failure to satisfy the required periodic Fair Housing training shall be considered a violation of a membership duty. Failure to meet the requirement in any three-year cycle will result in suspension of membership for the first two months (January and February) of the year following the end of any three-year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated. (M)

## Article XII. Professional Standards

Professional Standards hearings and the organization and procedures incident thereto shall be governed by the *Code of Ethics and Arbitration Manual* of the National Association of REALTORS® (“CEAM”) and the Missouri Supplement thereto, as amended and modified from time to time as may be necessary to ensure consistency with applicable law, which by this reference are made a part of these Bylaws.

**Section 1. Statewide Professional Standards.** The State Association shall maintain the appropriate committees appointed by the Leadership Team to facilitate the Statewide Professional Standards process. Members of these committees will meet the established minimal training requirements and will undergo intensive training provided by the State Association. The Statewide Professional Standards process and committee term limits will be governed by the Policy Statement below.

**Section 2. Discipline of REALTOR® Members.** Any REALTOR® member of the association may be disciplined by the Board of Directors for violations of these Bylaws, the Code of Ethics, or other duties of membership, after a hearing as described in the *Code of Ethics and Arbitration Manual* of the National Association of REALTORS®, provided that the discipline imposed is consistent with the discipline authorized by the Professional Standards Committee of the National Association of REALTORS®, as set forth in the *Code of Ethics and Arbitration Manual* of the National Association. (M)



**Section 3. Enforcement of the Code.** The responsibility of the State Association and of State Association members relating to the enforcement of the Code of Ethics, the disciplining of members, the arbitration of disputes, and the organization and procedures incident thereto shall be governed by the *Code of Ethics and Arbitration Manual* of the National Association of REALTORS®, as from time to time amended, which by this reference is made a part of these Bylaws. (M)

## Article XIII. Fees, Assessments, and Dues

**Section 1. Application Fees.** The Board of Directors may adopt an application fee for REALTOR® membership in a reasonable amount, not exceeding three (3) times the amount of the annual dues for REALTOR® membership, which shall be required to accompany each application for REALTOR® membership and which shall become the property of the State Association upon final approval of the application. (M)

**Section 2. Assessments.** The Board of Directors may adopt an assessment for REALTOR® Membership, provided the notice and the purpose of the assessment is submitted to the Board of Directors thirty (30) days in advance of its adoption.

**Section 3. Member Board Dues.** The annual dues of each Member Board shall be (1) an amount as established by the Board of Directors times the number of REALTOR® and REALTOR-ASSOCIATE® members who hold primary membership in the Member Board, plus (2) an amount as established by the Board of Directors times the number of real estate salespersons and licensed or certified appraisers employed by or affiliated as independent contractors with REALTOR® members of the Member Board who are not themselves REALTOR®, REALTOR-ASSOCIATE®, or Institute Affiliate members. In calculating the dues payable by a Member Board, non-members, as defined in the preceding sentence, shall not be included in the computation of dues if dues have been paid in another association in the state or a state contiguous hereto, provided the Member Board notifies the State Association in writing of the identity of the association to which dues have been remitted. (M)

**Section 4. Designated REALTOR® Member Dues.** The annual dues of each Designated REALTOR® member shall be in such amount as established annually by the Board of Directors, plus an additional amount to be established annually by the Board of Directors times the number of real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® member, and (2) are not REALTOR® members of any association in the state or a state contiguous thereto or Institute Affiliate members of the State Association. In calculating the dues payable to the State Association by a Designated REALTOR® member, non-member licensees as defined in (1) and (2) of this paragraph shall not be included in the computation of dues if the Designated REALTOR® has paid dues based on said non-member licensees in another association in the state or a state contiguous thereto, provided the designated REALTOR® notifies the State Association in writing of the identity of the association to which dues have been remitted.

A REALTOR® member of a Member Board shall be held to be any member who has a place or places of business within the state or a state contiguous thereto and who, as a principal is actively engaged in the real estate profession as defined in Article III, Section 1 of the Constitution of the National Association of REALTORS®. An individual shall be deemed to be licensed with a REALTOR® if the license of the individual is held by the REALTOR®, or any broker who is licensed with the REALTOR®,

or by any entity in which the REALTOR® has a direct or indirect ownership interest and which is engaged in other aspects of the real estate business (except as provided for in Section 2(a)(1) hereof) provided that the licensee is not otherwise included in the computation of dues payable by the principal, partner, corporate officer, or branch office manager of the entity.

A REALTOR® with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and /or referring clients and customers to the REALTOR® for consideration on a substantially exclusive basis shall annually file with the association on a form approved by the State Association a list of the licensees affiliated with that entity and shall certify that all of the licenses affiliated with the entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, managing, counseling, or appraising real property. The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR® filing the form for purposes of this Section and shall not be included in calculating the annual dues of the Designated REALTOR®. Designated REALTORS® shall notify the State Association or the Member Board within three (3) days of any change in status of licensees in a referral firm.

The exemption for any licensee included on the certification form shall automatically be revoked upon the individual being engaged in real estate licensed activities (listing, selling, leasing, renting, managing, counseling, or appraising real property) other than referrals, and dues for the current fiscal year shall be payable. Membership dues shall be prorated for any licensee included on a certification form submitted to the State Association who during the same calendar year applies for REALTOR® or REALTOR-ASSOCIATE® membership in the State Association. However, membership dues shall not be prorated if the licensee had held REALTOR® or REALTOR-ASSOCIATE® membership during the preceding calendar year. (M)

**Section 5. REALTOR® Member Dues.** The annual dues of each REALTOR® members other than the Designated REALTOR® shall be as established annually by the Board of Directors. (M)

**Section 6. REALTOR-ASSOCIATE® Dues.** The annual dues of each REALTOR-ASSOCIATE® member actively engaged in the real estate business from an area not within the jurisdiction of Member Boards shall be as determined by Section 2 of this Article.

**Section 7. Military Waiver.** The State Association will waive State Association dues and assessments for a REALTOR® if the REALTOR® or their spouse is called into active duty and/or serving on active duty during the current calendar year.

**Section 8. Institute Affiliate Member Dues.** The annual dues of each Institute Affiliate member shall be established by Article II of the Bylaws of the National Association of REALTORS®. (M)

**Section 9. Affiliate Member Dues.** The annual dues of each Affiliate member shall be as established annually by the Board of Directors.

**Section 10. Honorary Member Dues.** The annual dues of each Honorary member shall be as established annually by the Board of Directors.

**Section 11. "In Good Standing" Status.** Upon payment to the State Association of the fees, assessments, and dues required under this Article, each REALTOR® and REALTOR-ASSOCIATE® member of Member Boards within the State, and each REALTOR®, REALTOR-ASSOCIATE®, and

Institute Affiliate member from areas not within the jurisdiction of a Member Board within the state, shall be deemed a REALTOR®, REALTOR-ASSOCIATE®, or Institute Affiliate members, as the case may be, “in good standing” of the State Association. Upon payment of dues required under any other Section of this Article, the individual making such payment shall be deemed as a member “in good standing” of the State Association.

**Section 12. Reporting Deadlines.** In January of each year Member Boards shall file with the State Association, in such format and procedure as shall be determined by the State Association, a list of its REALTOR®, REALTOR-ASSOCIATE®, and Institute Affiliate members and the number of real estate salespersons and licensed or certified appraisers employed by or affiliated as independent contractors with such REALTOR® members, certified by the President of the Member Board. At the time such list is filed, each Member Board shall pay dues for the current fiscal year based on such list; provided, however, that adjustments shall be made each month for members dropped or enrolled by Member Board during the preceding month. All Member Board and REALTOR®, REALTOR-ASSOCIATE®, and Institute Affiliate member fees, assessments, and dues for the current year shall be due on March 15 of each year so that the State Association may transmit dues to the National Association of REALTORS® by March 31. Any Member Board or other member delinquent in payment of dues by more than thirty (30) days may be dropped from membership in the State Association by action of the Executive Committee.

**Section 13. Late Fees.** Member Boards shall be liable for a Late Fee if any fees, assessments, or dues owed to the State Association are not paid on or before March 31. The Late Fee shall be the greater of \$100.00 or an amount equal to 1% of the amount owed. The Late Fee shall be assessed on April 1 and again on the first day of each succeeding month during which any fees, assessments, or dues remain unpaid.

**Section 14. Proration.** Dues of new Member Boards shall be prorated for the first year on a quarterly basis - January 1, April 1, July 1, and October 1.

## Article XIV. Districts

The Board of Directors shall divide the State into Districts per the Policy Statement.

## Article XV. Official Emblem

The Board of Directors shall approve the design of an official emblem which shall be available to all members. All members of the State Association shall be privileged and encouraged to wear and display this emblem.

## Article XVI. Official Publication

The State Association may publish a periodical which may be provided in a printed or electronic version.

## Article XVII. Rules of Order

*Robert's Rules of Order*, latest edition, shall be recognized as the authority governing all meetings and conferences when not in conflict with the Bylaws of the State Association.

## Article XVIII. Amendments

**Section 1.** Bylaws amendments may be proposed by an Officer, Director, or Committee of this State Association. Bylaws amendments shall first be reviewed by the State Association legal counsel, considered by the Executive Committee, and then submitted to the Board of Directors with recommendation or any revisions. The Board of Directors shall vote to **accept or decline** the Executive Committee's recommendation. This shall be considered the "first read."

**Section 2.** If accepted, Bylaws amendments must then be submitted in writing to the Board of Directors at least thirty (30) days in advance of their **adoption**. Following a thirty-day (30-day) written notice and a final review by the State Association legal counsel, the Board of Directors may, by a two-thirds (2/3) vote of the Directors present at any meeting, approve Bylaws amendments. This shall be considered the "second read."

The Board of Directors may, at any regular or special meeting of the Board of Directors at which a quorum is present, approve amendments to the Bylaws which are mandated by the National Association of REALTORS®, but were not submitted to the Directors at least thirty (30) days in advance.

**Section 3.** Amendments to these Bylaws affecting the admission or qualifications of REALTOR®, REALTOR-ASSOCIATE®, and Institute Affiliate members, the use of the terms REALTOR®, REALTORS®, or REALTOR-ASSOCIATE®, or any alteration in the territorial jurisdiction of a Member Board, shall become effective upon the approval of the Board of Directors of the National Association of REALTORS®.

**Section 4. Scrivener's Errors.** The CEO or General Counsel/Vice President of Risk Management shall have the authority to correct scrivener's errors in these Bylaws, including typographical, grammatical, or formatting mistakes, provided such corrections do not alter the meaning or intent of any provisions. All such corrections shall be reported to the Board of Directors at its next meeting.

## Article XIX. Use of Terms REALTOR®, REALTORS®, and REALTOR-ASSOCIATE®

**Section 1.** Use of terms REALTOR®, REALTORS®, or REALTOR-ASSOCIATE® by members shall, at all times, be subject to the provisions of the Constitution and Bylaws of the National Association of REALTORS® and to the Rules and Regulations prescribed by its Board of Directors. The State Association shall have authority to control, jointly and in full cooperation with the National Association of REALTORS®, use of the terms within those areas of Missouri not within the jurisdiction of a Member Board. Any misuse of the terms by members is a violation of a membership duty and may subject members to disciplinary action by the Board of Directors after a hearing as provided for in the National Association of REALTORS® Code of Ethics and Arbitration Manual. (M)

**Section 2. Use by REALTOR® Members.** REALTOR® members of the State Association shall have the privilege of using the term REALTOR® and REALTORS® in connection with their business so long as

they remain REALTOR® members in good standing. No other class of members shall have this privilege. (M)

**Section 3. Use by Firms.** A REALTOR® member who is a principal of a real estate firm, partnership, corporation, or trust may use the terms REALTOR® or REALTORS® only if all the principals of such firm, partnership, corporation, or trust who are actively engaged in the real estate profession within the state are REALTOR® or Institute Affiliate members. (M)

**Section 4. Use by REALTOR-ASSOCIATE® Members.** REALTOR-ASSOCIATE® members of the State Association shall have the right to use the term REALTOR-ASSOCIATE® so long as they remain REALTOR-ASSOCIATE® members in good standing and the REALTOR® Member with whom they are associated or by whom they are employed is also a REALTOR® Member in good standing. (M)

**Section 5. Use by Institute Affiliate Members.** An Institute Affiliate member shall not use the terms REALTOR®, REALTORS®, or REALTOR-ASSOCIATE® and shall not use the imprint of the emblem seal of the National Association of REALTORS®. (M)

## Article XX. Harassment

The Association seeks to create an environment free from all forms of unlawful harassment, including sexual harassment. Harassment against an individual on the basis of race, color, national origin, ancestry, religion, sex, sexual orientation, gender identity or expression, age, pregnancy, disability, marital or veteran status, or citizenship, status as a victim of sexual or domestic violence or order of protection status, or any other classification protected by applicable federal, state, or local law, is in violation of Association policy and will not be tolerated.

Any member of the State Association may be reprimanded, placed on probation, suspended or expelled for harassment of a State Association employee, Officer, or Director after an investigation in accordance with the established procedures of the State Association. Disciplinary action may consist of any sanction authorized in the National Association of REALTORS® Code of Ethics and Arbitration Manual. As used in this section, harassment means any conduct, whether written, verbal, physical or otherwise, including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contacts, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance or volunteer duties by creating a hostile, intimidating or offensive environment.

## Article XXI. Business of the Association

**Section 1. Electronic Transaction of Business.** To the fullest extent permitted by law, the Board of Directors, Leadership Team, committees, and volunteer groups may conduct business by electronic means.

**Section 2. Action without Meeting.** Unless specifically prohibited by the Articles of Incorporation, any action required or permitted to be taken at a meeting of the Board of Directors, the Executive Committee, a committee or volunteer group may be taken without a meeting if consent, in writing, setting forth the action so taken, shall be signed by all of the directors or committee members. The consent shall be evidenced by one or more written approvals, each of which sets forth the action taken and bears the signature of one or more directors or committee members. All approvals

evidencing the consent shall be delivered to the Corporate Secretary/CEO to be filed in the corporate records. The action taken shall be effective when all the directors or committee members have approved the consent unless the consent specifies a different effective date.

**Section 3. Compensation.** Except for the CEO, directors, officers, committee members, and volunteers shall receive no compensation for their services, other than reimbursement for approved expenses.

**Section 4. Indemnification of Directors, Officers, and Committee Members.** Every Director, Officer, and committee member of the State Association shall be indemnified by the State Association against all expenses and liabilities, including counsel fees, reasonably incurred or imposed upon such Director, Officer, or committee member in connection with any proceeding to which that Director, Officer, or committee member may have been made a party or in which that Director, Officer, or committee member may become involved, by reason of being or having been a Director, Officer, or committee member of the State Association, or any settlements thereof, whether or not the individual is a Director, Officer, or committee member at the time such expenses are incurred, except in such cases wherein the Director, Officer, or committee member is adjudged guilty of willful misfeasance or malfeasance in the performance of such Director's, Officer's, or committee member's duties or shall have acted in such a manner as has exceeded such Director's Officer's, or committee member's authority so to act. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director, Officer, or committee member may be entitled.

## Article XXII. Dissolution

Upon the dissolution or winding up of the affairs of the State Association, the Board of Directors, after providing for payment of all obligations, shall distribute any remaining assets to any charitable nonprofit owned by the State Association, or, within its discretion, to any other nonprofit, tax-exempt organization.

# Official Statement of Policy

(Adopted December 3, 1976, and Thereafter Amended)

This Official Statement of Policy to the Bylaws (the “Policy Statement”) has been adopted by the Board of Directors of the State Association to supplement the State Association’s Articles of Incorporation and Bylaws, and to serve as administrative guidelines for the State Association Directors, Officers, Staff, committees, and members. The individual policies contained herein shall remain in effect until amended in total or in part by the Board of Directors as set forth in this Policy Statement below. Should there be any conflict between (a) the Policy Statement and (b) the Articles of Incorporation and/or the Bylaws of the State Association, the Articles of Incorporation and Bylaws shall control.

## Administration

### Policy 100 — Amendment of Policy

Unless otherwise specified in the Bylaws or Policy Statement, amendments to the Policy Statement may be proposed by any Officer, Director, or Committee of the State Association. Any proposed amendment to the Policy Statement shall be first submitted to the Executive Committee which shall then submit such proposed amendment to the Board of Directors with recommendation.

The Board of Directors may, by a majority vote of the Directors present at such meeting, approve the proposed amendment. Any amendment so approved shall be effective upon approval and included in the Policy Statement. The Policy Statement shall be available to any member upon reasonable request.

The CEO or General Counsel/Vice President of Risk Management shall have the authority to correct scrivener’s errors in the Policy Statement, including typographical, grammatical, or formatting mistakes, provided such corrections do not alter the meaning or intent of any provisions. All such corrections shall be reported to the Board of Directors at its next meeting.

### Policy 101 — Additional Membership Classes

**Section 1. Retired Member.** A retired membership shall be granted upon the recommendation of the Member Board to an individual who is a member of the State Association and has retired from the practice of real estate or real estate appraising, but who wishes to continue membership in the State Association. Certification by affidavit of retired status, together with an Application for Retired Membership status provided by the State Association, shall be submitted to the Executive Committee for approval. Dues for this classification shall be the same as the dues for the REALTOR-ASSOCIATE® classification. Retired members shall not be permitted to vote or hold office in the State Association.

## **Section 2. Life Member.**

- (a) Life membership shall be conferred by a majority vote of the Board of Directors present at any meeting of the Board of Directors under the following circumstances:
  - 1. To Past Presidents of the State Association upon completion of their term of office.
  - 2. To State Association members who fulfill the following requirements:
    - i. Must have been a member of the State Association for a minimum of thirty (30) years.
    - ii. Must hold a current Missouri real estate license or a current license or certification as a real estate appraiser in good standing, with no pending complaints before the Missouri Real Estate Commission, the Missouri Real Estate Appraisers Commission, or their Member Board or Statewide Professional Standards Committee.
    - iii. Must have served the State Association for a cumulative period of ten (10) years in any elected or appointed capacity or as a Leadership Academy graduate.
- (b) Applications for Life Member status, except State Past President, shall be submitted by the nominee on an application form provided by the State Association. The State Association staff ("Staff") shall review the application to assure all criteria have been met and shall submit all qualified candidates to the Executive Committee for presentation to the Directors.
- (c) There shall be no State Association dues for this classification.

## **Section 3. REALTOR® Emeritus Member.** A REALTOR® member who:

- (a) has held membership in the National Association of REALTORS® as a REALTOR®, REALTOR-ASSOCIATE®, or both, for a continuous period of forty (40) years;
- (b) has completed at least one (1) year of service at the National Association level; and
- (c) is designated "REALTOR® EMERITUS" by the Board of Directors of the National Association of REALTORS®;

shall automatically become a "REALTOR® EMERITUS" of the State Association. No dues shall be assessed for this classification.

Please refer to the REALTOR® Emeritus Status page on REALTOR.org for additional information at the URL, <http://www.realtor.org/programs/realtor-emeritus-status>.



## Policy 102 — Districts

The State Association shall be divided into Districts for administrative purposes, such as briefing sessions. These Districts shall be as follows:

### **Central District**

Bagnell Dam Association  
Jefferson City Area Board  
Lake of the Ozarks Board  
Lebanon Board  
Ozark Board  
Pulaski County Board  
South Central Board  
West Central Association

### **Eastern District**

St. Louis REALTORS®

### **Northern District**

Central Missouri Board  
East Central Board  
Heart of Missouri Board  
Mark Twain Association  
Mid-Missouri Board  
Northeast Central Association  
Randolph County Board

### **South Eastern District**

Bootheel Regional Board  
Franklin County Board  
Mineral Area Board  
Southeast Missouri REALTORS®  
Southern Gateway Association  
St. Charles REALTORS®  
Three Rivers Board

### **Southern District**

Greater Springfield Board  
Four Corners REALTORS®  
Ozark Gateway Association  
Ozark Trail Board  
Southwest Missouri Board  
Tri-Lakes Board  
West Plains Board

### **Western District**

Kansas City Regional Association (KCRAR)  
Northwest Chapter of KCRAR  
St. Joseph Chapter of KCRAR  
Five County Chapter of KCRAR  
Midwest Missouri Chapter of KCRAR

## Policy 103 — Access to State Association Member Records

Access to the State Association's member contact information is not permitted except as follows:

Electronic delivery of mailing and/or email address, as submitted by the member, of Board of Directors obtained by credentialed candidates for State Association elected offices and NAR directors; periodic rosters and State Association membership/MREC licensee match-up lists requested by a Member Board for members in its own jurisdiction; or as required by contracts or other agreements entered into by the State Association.

## Policy 104 — Association Publication Advertising

The State Association may accept advertising in its publication except for the following subject matter: alcohol, marijuana, and tobacco products, partisan political advertisements, personal hygiene products, and/or any materials of a lewd and lascivious nature.

## Policy 105 — Association Logo

Any change to the State Association Official Emblem (otherwise referred to as the “Association Logo”) shall be with the recommendation of the Leadership Team and Executive Committee with approval of the Board of Directors.

## Policy 106 — Sponsorships and Exhibits

**Section 1. Generally.** The State Association is authorized to offer sponsorship and exhibit opportunities to its members and affiliates, or entities offering products or services specific to real estate professionals. These opportunities are intended to be beneficial to both the sponsoring and exhibiting organization (the “Client”) and the State Association. All sponsorships and exhibits must be in compliance with all Missouri Real Estate Commission (MREC) and Real Estate Settlement Procedure Act (RESPA) rules and regulations, and any other applicable laws. Except as specifically noted in this Policy, all sponsorships and exhibits shall be on such terms and conditions (e.g., pricing and duration) as are set and determined by State Association Staff from time to time.

**Section 2. Prohibited Activities.** Any sponsorship including but not limited to marketing, promotional, or other materials made available through such activity, and any Client representative at any State Association program or event MAY NOT explicitly or implicitly:

- Recruit State Association members to join Client’s company;
- Compare Client’s company to any other business or company providing similar services;
- Use, duplicate, or alter in any way the State Association logo, branding, or name without the prior express written consent of the State Association’s CEO or the Vice President of Communications and Membership Engagement; or
- Suggest that the State Association endorses or supports Client’s organization over another.
- Specifically for brokerages, sponsorships may only feature general branding of the brokerage; anything promoting agent services, tools, benefits, fees, splits, or other messages that could be perceived as recruiting, whether explicit or implicit, are not allowed. Further, brokerages are not allowed to be exhibitors at any State Association event.

**Section 3. Securing Sponsorships and Exhibits.** Sponsorship and exhibit opportunities with the State Association are available on a first-come, first-served basis. All sponsorships and exhibits should be secured through a commitment form as provided by Association Staff, website, or event page. This form may include additional procedures, protocol, and guidelines, all consistent and not in conflict herewith, that are designed to facilitate fair and impartial sponsorship and exhibit opportunities and an equitable application process for all involved with respect to such matters.

# Committees and Related Programs

## Policy 200 — Committees

**Section 1. Generally.** In addition to any other committees set forth in the State Association Bylaws or this Policy Statement, the State Association shall have “Standing Committees” and “Ad Hoc Committees.” The Standing Committees shall be responsible for guiding and directing open discussions (“Committee Forums”) on subject matter topics as part of meetings and conducting business as required in furtherance of the State Association’s Mission. The Ad Hoc Committees shall be responsible for addressing specific issues or performing particular functions that fall outside the scope of existing Standing Committees. Standing Committees and Ad Hoc Committees may have their own task forces and work groups as they deem necessary. Standing Committees and Ad Hoc Committees may also be created by resolution of the Board of Directors, by action of the Executive Committee or Leadership Team and shall have such duties as the Board of Directors, Executive Committee, or the Leadership Team may assign. Except as otherwise specifically set forth in the State Association’s Bylaws or this Policy Statement, the Standing Committees and Ad Hoc Committees shall be subordinate to and under the direction of the Executive Committee.

**Section 2. Qualification.** Except as otherwise specifically set forth in the State Association’s Bylaws or this Policy Statement, all members of State Association committees shall be members of the State Association in good standing at all times during their term. Any member who discontinues membership in the State Association or falls out of good standing shall be immediately dropped from all State Association committees on which the member serves. Information and applications for State Association committees will be made available on the State Association’s website prior to any application deadlines.

**Section 3. Committee Forums.** A Committee Forum is the portion of the Standing Committee used for open discussion from general membership on certain subject matter pertinent to the Standing Committee and in furtherance of the State Association’s Mission.

**Section 4. Task Forces.** A Task Force is a group of designated members who gather to research or implement a product or service for the purpose of making a recommendation to the Executive Committee, Leadership Team, or the Standing or Ad Hoc Committee under which it serves. The Task Force dissolves at the conclusion of its task or at the end of the calendar year in which it was formed.

**Section 5. Structure, Appointment, Term.** Except as otherwise specifically set forth in the State Association’s Bylaws, or this Policy Statement, and in addition to the Chair, Vice-Chair, and any ex-officio members, all Standing and Ad Hoc Committees shall have at least twelve (12) and not more than fifteen (15) appointed members and will serve staggered terms of two (2) years. Standing and Ad Hoc Committee members may serve a maximum of two (2) consecutive terms on any one Committee. The geographic diversity and industry practice area (if applicable) of each Standing Committee should be considered when appointments are made. All Standing and Ad Hoc Committee members shall be appointed by majority vote of the Leadership Team not later than August 31 of the year immediately preceding the year in which they serve.

**Section 6. Chair/Vice Chair Appointment and Term.** Each Standing and Ad Hoc Committee shall have a Chair and a Vice Chair as appointed by the Leadership Team. The Chair and Vice Chair shall each serve a one (1) year term. The Vice Chair shall not automatically succeed to Chair.

**Section 8. Ex-Officio Appointments.** The President shall be a non-voting ex-officio member of each committee. Except for the Finance and Budget Committee, each Standing Committee shall have a representative from the Executive Committee serving as a voice-only, non-voting ex-officio member as appointed by the Leadership Team.

Staff employed by a Member Board (“Member Board Staff”) may serve on any Standing Committee as a voice-only, non-voting, ex-officio member. Member Board Staff may not serve as a Chair or Vice-Chair of any Standing Committee. Unless otherwise specified in the State Association Bylaws or Policy Statement, no more than one (1) Member Board Staff may be appointed to each Standing Committee by the Leadership Team. The appointed Member Board Staff shall serve a one (1) year term, with a maximum of two (2) consecutive terms on any one Standing Committee.

**Section 9. Meetings.** Each Standing Committee shall meet at the State Association’s business conferences and at such other times and places as it may deem necessary to carry out its purpose. Each Ad Hoc Committee shall meet as appropriate and applicable to perform its function and fulfill its purpose.

**Section 10. Absence from Standing Committee Meetings.** Standing Committee members must attend at least two-thirds (2/3) of the Standing Committee meetings each calendar year. If a Standing Committee member fails to meet this attendance requirement without having been excused by the Leadership Team as set forth below, that member shall be construed as having resigned, and the vacancy for the unexpired term shall be filled by the Leadership Team as it deems fit; provided, however, that such vacancy may not be filled with the same person who was construed as having resigned. The President shall notify the member in writing the resignation has been accepted and a vacancy now exists.

A Standing Committee member who fails to attend a Standing Committee meeting shall be excused from attendance at that meeting if that member submits a written request for an excused absence along with reasonable supporting evidence to the President of the State Association not later than twenty (20) days after the date of such meeting (“Excused Absence Request”). The Leadership Team shall review the Excused Absence Request and may grant an excused absence in the event of personal illness, significant family events (including serious illness or death of an immediate family member or person under the care of the member), undue hardship (including military service commitments, extreme weather conditions, and other “force majeure” events) and serious personal emergencies. The President shall notify the member of the Leadership Team’s decision in writing, which decision shall be final and not subject to appeal.

**Section 11. Quorum.** Except as otherwise specifically set forth in the State Association’s Bylaws, this Policy Statement or as otherwise required by law, the quorum for official business of all committees of the State Association shall be one-third (1/3) of its members.

**Section 12. Approval of Actions.** All committee action shall be consistent with the Articles of Incorporation and the Bylaws of the State Association and with this Policy Statement.

**Section 13. Reports.** Committees shall report to the Executive Committee or as set forth in the Bylaws or this Policy Statement.

## Standing Committees

### Policy 201 — Finance and Budget Committee

**Section 1. Purpose.** The Finance and Budget Committee shall be a Standing Committee and is responsible for overseeing the financial planning, budgeting, and allocation of resources to ensure fiscal responsibility and sustainability within the State Association. In furtherance of this purpose, the Finance and Budget Committee shall:

- (a) Recommend policies that maintain and improve the financial health and integrity of the State Association;
- (b) Review and recommend a long-range financial plan for the State Association;
- (c) Review and recommend an annual operating budget and annual capital budget consistent with the long-range financial plan and financial policies;
- (d) Review and approve capital expenditures and unbudgeted operating expenses that, per Board of Director's-approved policy, are above the CEO's authority but below the threshold required for Board approval;
- (e) Review the financial aspects of major proposed transactions, new programs and services, as well as proposals to discontinue programs or services, and make action recommendations to the Executive Committee;
- (f) Monitor the financial performance of the State Association as a whole against the approved budget to include, at a minimum, a quarterly review of the State Association's financial statements;
- (g) Require and monitor corrective actions to bring the State Association into compliance with its budget and other financial targets; and
- (h) Conduct an ongoing examination of current State Association investment policy and investment instruments and when necessary develop and implement any necessary changes to State Association Investment Policy.

### **Section 2. Structure.**

- (a) The Finance and Budget Committee shall have up to seventeen (17) members consisting of the following members:
  - 1. The Treasurer, President-Elect, Immediate Past President, Treasurer-Elect;
  - 2. The Chair and Vice Chair of the Strategic Planning Committee in years when that Ad Hoc Committee is convened;
  - 3. Nine (9) other at-large members who shall serve two (2) year staggered terms; and
  - 4. The CEO and President as voice-only, non-voting ex-officio members.

The at-large Finance and Budget Committee members may serve one full two (2) year term and any term of less than three (3) years shall not be counted in such restriction on service. All such members will be eligible for re-appointment one (1) year after the end of any full two (2) year term served.

- (b) In addition to the members named above, all credentialed candidates for Treasurer at the next election of officers shall automatically become voice-only, non-voting, ex-officio members of the Finance and Budget Committee for the current year.
- (c) The Treasurer shall serve as Chair of this committee and the Treasurer-Elect shall serve as Vice Chair.

### **Section 3. Duties.**

- (a) The Treasurer shall provide the Finance and Budget Committee with a report of the financial condition of the State Association at each meeting. The Finance and Budget Committee shall be responsible for studying the financial reports and shall make appropriate recommendations as to presentation and action of the Executive Committee and the Board of Directors.
- (b) The Finance and Budget Committee shall cause an annual financial statement to be audited by a Certified Public Accountant and such statement shall be presented to the Board of Directors at the next meeting after completion of the audit and to the membership at the Annual Membership Meeting. The Finance and Budget Committee shall send out audit bid requests at least every three (3) years with the understanding that cost is not the only factor to consider in making its final recommendations.
- (c) Not later than July 30 of each calendar year, the Finance and Budget Committee shall develop a proposed State Association budget for the following calendar year and present it to the Executive Committee for its review and approval. The Executive Committee may amend the proposed budget. After the Executive Committee approves the proposed budget, it shall provide a copy of the proposed budget to the Board of Directors at least thirty (30) days prior to its final scheduled meeting of the calendar year. The Board of Directors shall adopt a budget for the State Association at its final scheduled meeting of the calendar year which budget shall take effect on January 1 of the following year.

For purposes of the foregoing (and in furtherance of Article XIII of these Bylaws), as part of its process in recommending the amount of dues and fees each year, the Finance and Budget Committee will analyze and use data from the U.S. Bureau of Labor Statistics Consumer Price Index (CPI) for the Mountain-Plains Area (available at [bls.gov](http://bls.gov)). This is not meant to be an automatic increase, nor the sole data point used for dues decisions, but simply a reference to keep dues aligned with or ahead of inflation, when applicable.

#### **Step 1: Calculate CPI % Increase**

CPI % Increase = Most Recent Month / Same Month in the Previous Year

#### **Step 2: Calculate Dues Base**

Dues Base = Round to Nearest Dollar (Current Dues x CPI % Increase)

The Finance and Budget Committee can recommend an increase that matches the rounded dues base (up to a 4% cap) or an amount below the rounded amount. If the CPI % change is negative, the dues base may remain the same. Regardless, the Finance and Budget Committee will provide rationale for recommended changes based on other factors which may go beyond the dues base and cap, or if recommending no change.

## Policy 202 — Advocacy Committee

**Section 1. Purpose.** The Advocacy Committee shall be a Standing Committee and is responsible for monitoring, recommending, and supporting (or opposing) proposed state legislation and regulatory policy after analyzing its impact on the real estate industry. It is also responsible for administering the State Association's Issues Mobilization and Advocacy Program as set forth in this Policy Statement, and as needed, working in cooperation with the National Association of REALTORS® to monitor federal legislation and regulatory policy that could impact Missouri.

**Section 2. Emergent Legislative Issues.** If a legislative or regulatory issue arises that requires immediate attention and a position taken by the State Association between meetings of the Board of Directors, then Vice President of Government Affairs, and/or the CEO will contact the Leadership Team and the Chair and Vice Chair of the Advocacy Committee and present a proposed position. If a majority of the aforementioned persons agree with that position, then Staff will communicate the position to the appropriate party as though it was approved by Advocacy Committee, the Executive Committee, and the Board of Directors of the State Association. The position taken shall be promptly communicated to the Advocacy Committee, Executive Committee and to the Board of Directors at its next meeting.

**Section 3. Committee Forum.** The following topics will be covered in the Committee Forum portion of the Advocacy Committee:

- (a) State and local legislation and regulations that impact REALTORS®, homeowners, property owners, and the real estate industry.
- (b) Political Action Committee ("PAC") fundraising initiatives statewide.

## Policy 203 — Commercial and Economic Development Committee

**Section 1. Purpose.** The Commercial and Economic Development Committee shall be a Standing Committee and is responsible for supporting and advancing the interests of REALTOR® members engaged in commercial real estate by promoting economic growth, fostering strong business environments, and advocating for sound development policies.

**Section 2. Committee Forum.** The following topics will be covered in the Committee Forum portion of the Commercial and Economic Development Committee:

- (a) Commercial and economic development growth in Missouri through relationships in both the private and public sector.

- (b) Partnerships with local and regional stakeholders to enhance commercial real estate viability and contribute to the long-term economic vitality of Missouri

## Policy 204 — Diversity, Equity, and Inclusion Committee

**Section 1. Purpose.** The Diversity, Equity, and Inclusion Committee shall be a Standing Committee and will serve to promote the growth and development of a diverse, equitable, and inclusive environment through education and a culture of belonging that is beneficial to all Missouri REALTORS®.

**Section 2. Committee Forum.** The following topics will be covered in the Committee Forum portion of the Diversity, Equity, and Inclusion Committee:

- (a) Resources and education focused on fair housing and implicit bias to best serve clients and agents from diverse backgrounds.
- (b) Ideas to continually improve the application and promotional processes for volunteer opportunities to be inclusive and encourage diversity in leadership.

## Policy 205 — Forms Committee

**Section 1. Purpose.** The Forms Committee shall be a Standing Committee and is responsible for reviewing feedback and providing guidance on proposed changes from legal counsel to the State Association's standard real estate forms.

**Section 2. Committee Forum.** The following topics will be covered in the Committee Forum portion of the Forms Committee:

- (a) Current and anticipated changes in law, regulations, and market conditions that may impact the State Association's standard forms.
- (b) Proposed revisions, resources, and education opportunities related to the State Association's standard forms.

## Policy 206 — Leadership Development Committee

**Section 1. Purpose.** The Leadership Development Committee shall be a Standing Committee and is responsible for fostering the growth and development of volunteer leaders within the State Association, including oversight of the State Association's Leadership Academy Program.

**Section 2. Committee Forum.** The following topics will be covered in the Committee Forum portion of the Leadership Development Committee:

- (a) Resources and opportunities available for members to gain knowledge, experience, and skills to serve in volunteer leadership roles.
- (b) The continuity and stability of Missouri REALTORS® Leadership Academy program by identifying future leaders and members who are well-suited for the program.



## Policy 207 — Member Engagement Committee

**Section 1. Purpose.** The Member Engagement Committee shall be a Standing Committee and is responsible for connecting members through various media and events.

**Section 2. Committee Forum.** The following topics will be covered in the Committee Forum portion of the Member Engagement Committee:

- (a) Member tools and resources intended to foster a sense of community, increase involvement, and enhance the value of REALTOR® membership.
- (b) Programs and Collaborative Groups that are aligned with the State Association to promote benefits, resources, and opportunities available to all REALTORS® to increase their skills and knowledge, while bringing members together for purposes of professional development and networking.

## Policy 208 — Missouri Young Professionals Network (YPN) Committee

**Section 1. Purpose.** The Missouri Young Professionals Network (YPN) Committee shall be a Standing Committee and is responsible for connecting newer and younger real estate professionals with the association.

**Section 2. Committee Forum and Events.** The following topics will be covered in the Committee Forum portion of the YPN Committee or YPN-hosted events during the business conferences, all of which are pillars of the National Association of REALTORS® Young Professionals Network program:

- (a) Upcoming state and national REALTOR® conferences, governance meetings, and events.
- (b) Resources to foster emerging leaders at local, state, and national levels, including participation in committees and leadership academies.
- (c) Importance of being informed on legislative issues and becoming RPAC investors, strategies for connecting via events and peer-to-peer communication platforms to grow members' professional networks.

## Policy 209 — Property Management Committee

**Section 1. Purpose.** The Property Management Committee shall be a Standing Committee and is responsible for providing an opportunity for the dissemination and discussion of information regarding property management issues related to both residential and commercial REALTORS®.

**Section 2. Committee Forum.** The following topics will be covered in the Committee Forum portion of the Property Management Committee:

- (a) Trends and challenges impacting the property management industry.
- (b) Tools, resources, and best practices to increase professionalism in property management.

## Policy 210 — Public Relations Committee

**Section 1. Purpose.** The Public Relations Committee shall be a Standing Committee and is responsible for enhancing the image, influence, and visibility of REALTORS® and the REALTOR® brand within the public and professional spheres.

**Section 2. Committee Forum.** The following topics will be covered in the Committee Forum portion of the Public Relations Committee:

- (a) Strategic communications, media engagement, and community outreach, promoting the value of working with a REALTOR® when buying, selling, or leasing real estate, and strengthening public trust in the real estate profession.
- (b) Important real estate information, such as market trends, homeownership tips, and fair housing practices impacting consumers.

## Policy 211 — Real Property Valuation Committee

**Section 1. Purpose.** The Real Property Valuation Committee shall be a Standing Committee and is responsible for evaluating, monitoring, and analyzing trends as they relate to real property valuation.

**Section 2. Committee Forum.** The following topics will be covered in the Committee Forum portion of the Real Property Valuation Committee:

- (a) Updates from Missouri Appraisers Advisory Council (“MAAC”), Missouri Housing Industry Alliance (“MHIA”), and other groups related to appraisal industry.
- (b) Programs and opportunities to help real estate professionals improve their real property valuation skills and knowledge, keep up with evolving market trends and methodologies, and understand the role of appraisers in real estate transactions.

## Policy 212 — Risk Management Committee

**Section 1. Purpose.** The Risk Management Committee shall be a Standing Committee and is responsible for delivering comprehensive risk management programs and services. It is also responsible for administering the State Association’s Legal Action Program as set forth in Policy 235.

**Section 2. Committee Forum.** The following topics will be covered in the Committee Forum portion of the Risk Management Committee:

- (a) Potential risks, trends, issues, and changes in rules and regulations impacting REALTORS® and the real estate industry.
- (b) Changes to the NAR Code of Ethics and Statewide Professional Standards resources and updates.
- (c) Continuing education and professional development opportunities and resources for REALTORS® to enhance their expertise and skills in their profession.

## Ad Hoc Committees

### Policy 220 — Building Committee

**Section 1. Purpose.** The Building Committee shall be an Ad Hoc Committee and will be appointed and convened by the Executive Committee as needed to review and report on all offers to buy, sell, lease, rent, or otherwise transfer any real estate interests held or desired to be acquired by the Association, but shall in all respects be subordinate to and serve under the direction of the Executive Committee.

**Section 2. Structure and Term.**

- (a) Structure. The Building Committee shall have seven (7) members, consisting of the President, President-Elect, Treasurer, CEO, one representative of the Finance and Budget Committee, and two (2) members that are primarily commercial practitioners. The Finance and Budget Committee and commercial practitioner members will be selected by the President. The President shall serve as the Chair, and the President-Elect shall serve as the Vice Chair of the Building Committee. The Building Committee shall be authorized to engage and work with such real estate industry professionals as it deems necessary and appropriate to further its purpose (e.g., appraisers, surveyors, architects, engineers, contractors and real estate brokers); provided, however, that any such engagement which would obligate the State Association to incur an expense over \$10,000 with respect to any such service shall require the approval of the Executive Committee.
- (b) Term. The Building Committee shall be convened for twelve (12) months, or until their assigned objective has been completed, whichever comes later.

**Section 3. Approval of Action.** Except as set forth in Section 2 above, all action taken by the Building Committee shall be subject to approval of the Executive Committee, which shall remain to possess full and complete absolute authority with respect to any final decision regarding all such matters. The CEO and President are each authorized to execute and deliver such deeds and other documents, and to do such other things as may be necessary, to complete any such purchase, sale, lease, rental, or other transfer as contemplated by this Policy.

### Policy 221 — Bylaws and Policy Committee

**Section 1. Purpose.** The Bylaws and Policy Committee shall be an Ad Hoc Committee and will be appointed and convened by the Executive Committee as needed, but not less than every five (5) years, to review the State Association's Bylaws and Policy Statement to assure compliance with the National Association of REALTORS® guidelines, and any applicable industry, legal, or regulatory changes. The Committee shall study all proposed amendments to the Bylaws and Statement of Policy and recommend appropriate amendments to the Executive Committee.

**Section 2. Structure and Term.**

- (a) Structure. The Bylaws and Policy Committee shall have seven (7) members, including a Chair and Vice-Chair, all appointed by the Executive Committee.
- (b) Term. The Bylaws and Policy Committee shall be convened for twelve (12) months, or until their review of the State Association Bylaws and Policy Statement is complete, whichever comes earlier.

## Policy 222 — Strategic Planning Committee

**Section 1. Purpose.** The Strategic Planning Committee shall be an Ad Hoc Committee and will be appointed and convened by the Executive Committee as needed, but not less than every three (3) years, and is responsible for the development of the overall strategic direction for the State Association by conducting a review of the strategic plan and revising or adjusting when necessary.

**Section 2. Structure and Term.**

- (a) Structure. The Strategic Planning Committee shall have nineteen (19) members consisting of six (6) members of Leadership Team (President, President-Elect, Treasurer, Immediate Past President, Treasurer-Elect, CEO), six (6) at-large members (one from each District), six (6) at-large members (no District allocation), and one (1) local board/association executive officer.
- (b) Term. The Strategic Planning Committee shall be convened for twelve (12) months, or until their review of the State Association's strategic plan is complete, whichever comes earlier.

**Section 3. Reports.** The Strategic Planning Committee shall report at such time and in such fashion as directed by the Board of Directors.

**Section 4. Approval of Action.** All action taken by the Strategic Planning Committee shall in all respects be subject to the approval of the Board of Directors.

## Policy 223 — NAR Path to Leadership Committee

**Section 1. Purpose.** The NAR Path to Leadership Committee shall be an Ad Hoc Committee and is responsible for identifying and promoting future leaders from Missouri for National Association of REALTORS® (NAR) positions (i.e., First Vice President, Treasurer, Regional Vice President, and other key appointed NAR positions). Additionally, the Committee will provide education and mentorship to members interested in running for such positions and other national volunteer leadership roles. They may also assist with endorsement requests by candidates outside of Missouri seeking NAR Officer positions.

**Section 2. Structure.** The Committee shall be comprised of no more than nine (9) members, including:

- (a) the most recent NAR Regional Vice President from Missouri willing and eligible to serve,
- (b) the two (2) most recent Past Presidents of the State Association willing and eligible to serve,
- (c) four (4) national directors from Missouri and up to two (2) other members currently serving or having served in any of the following roles within two years prior to appointment to this Committee: national director from Missouri; NAR committee, council, or forum member; NAR line officer; or NAR liaison (*if any*), appointed by majority vote of the Leadership Team not later than August 31 of the year immediately preceding the year in which they serve.

**Section 3. Duties.** The duties of this Committee shall be as follows:

- (a) National Leadership Development: The Committee shall introduce members to leadership pathways within the national association.

- (b) **Mentorship Initiatives:** The Committee shall pair seasoned national leaders with emerging leaders to provide guidance and encouragement.
- (c) **Leadership Vetting and Endorsements:** Develop and apply standardized evaluation criteria to assess candidate readiness for those seeking election to an NAR office, including leadership experience, financial preparedness, national support network, understanding of NAR issues, digital presence, etc.; and, Recommend support of candidates for NAR office to the National Directors from Missouri and/or Region IX Trustees following the applicable vetting and endorsement processes.
- (d) **Celebrate Elections and Appointments:** The Committee shall publicly acknowledge members who are elected to national office or receive national committee appointments.

**Section 4. Conflicts of Interest.** Any Committee member that decides to become a candidate for national office or begins serving on a national campaign team for any candidate (whether they are from Missouri or not), must disclose this conflict to the Committee Chair and then resign from the Committee. Further, members seeking written endorsements from the State Association to run for an NAR Officer position (i.e., Regional Vice Presidents, line officers) are not eligible to serve on this committee.

## Policy 224 — Collaborative Groups

A collaborative group refers to any Missouri-based institute, society, council (recognized by the National Association of REALTORS®), or organization with a statewide focus that shares a similar or complementary mission with the State Association. The State Association has the flexibility to establish informal partnerships or formal agreements to foster mutual benefits for all involved groups.

## Policy 230 — Issues Mobilization and Advocacy Program

This policy shall provide for a special program of the State Association known as the Issues Mobilization and Advocacy Program (“Issues Program”). The Issues Program shall be administered by the Advocacy Committee for the purposes and with the duties and responsibilities as set forth in this Policy. The Issues Program shall be funded by the special account established by the Bylaws of the State Association and known as the Issues Reserve Fund.

### Section 1. Purpose.

- (a) To support or oppose federal, state, and local issues that impact real property and real property owners in Missouri.
- (b) To support grassroots lobbying and educational efforts related thereto.
- (c) To improve public policy by encouraging and stimulating members and others to take a more active and effective part in governmental decision-making and the legislative process.
- (d) Funds shall not be used for support of candidates or for any purpose prohibited by federal, state, or local law.

## **Section 2. Duties.**

- (a) The Advocacy Committee shall administer the Issues Program subject to the approval of the Executive Committee.
- (b) Other than State Association issues, all requests for aid from Issues Program for Member Boards will be approved based on adherence to Issues Program's purposes.
- (c) All claims on the Issues Reserve Fund shall be submitted to the CEO of the State Association and paid by the State Association, as authorized by the Advocacy Committee, subject to final approval by the Executive Committee.

## **Section 3. Procedures.**

- (a) Other than State Association issues, all requests for assistance must be submitted by or through a Member Board. Said Member Board shall evaluate the request for assistance to determine if it meets one (1) or more of the purposes outlined in Section 1

**Note:** If it is anticipated that assistance from the Issues Program might be requested on any issues at the local level, it is imperative that the Member Board file a request for assistance with the Advocacy Committee as early as possible. The Advocacy Committee must have the opportunity to participate in the early stages of any issue which may be appropriate for assistance through the Issues Program.

- (b) If, after review of the issue, the Member Board feels involvement by the Advocacy Committee is warranted, the president of the Member Board shall complete the Local Board Funding Request Form and submit the form to the CEO of the State Association which shall include:
  - 1. A formal request that the matter be considered by the Advocacy Committee.
  - 2. A summary of the facts and circumstances surrounding the issue.
  - 3. A statement explaining why the Member Board feels the involvement of the Advocacy Committee is warranted and setting forth the reasons that the Member Board feels this issue has statewide impact.
  - 4. An estimate of the total anticipated expenses to support or oppose the issue.
  - 5. A specific statement regarding the amount of funds the Member Board is requesting from the Issues Reserve Fund.
- (c) Any request for assistance by a member board/association shall be forwarded by the CEO of the State Association to all members of the Advocacy Committee.
- (d) The State President or Chair of the Advocacy Committee may call a special meeting of the Advocacy Committee. Representatives of the member board/association involved may appear before the Advocacy Committee and make an oral presentation regarding the issue and the reasons why the Member Board feels it is worthy of support through Issues Program. If the Advocacy Committee rejects a request, the request may be appealed to Executive Committee and if rejected there, then to the State Association's Board of Directors.

#### **Section 4. Administration.**

- (a) If the Advocacy Committee determines an issue is worthy of support, disbursement of monies from the Issues Reserve Fund, up to the amount authorized, shall take place in the following fashion:
  - 1. The Member Board shall submit an estimate of costs and related expenses associated with the issue to the CEO of the State Association.
  - 2. The CEO shall be authorized to issue check(s) to the proper vendors involved with the issue. No checks shall be issued to members of the State Association.
- (b) When the amount of funds authorized for an issue is exhausted, additional funds may be requested. Such request shall be submitted by the Member Board president and shall include:
  - 1. A summary of the current status of the issue.
  - 2. A statement of all expenses incurred to date and an estimate of additional expenses anticipated to carry the issue to a satisfactory conclusion.
  - 3. A specific statement regarding the amount of additional funds the Member Board is requesting from the Issues Reserve Fund.
- (c) Upon receipt of the supplemental request and necessary documents, the procedures outlined in Section 3 hereof shall be implemented.

#### **Policy 235 — Legal Action Program**

This Policy shall provide for a special program of the State Association known as the Legal Action Program. Said Program shall be administered by the Risk Management Committee for the purposes and with the duties and responsibilities herein set forth. The Program shall be funded by the special account established by the Bylaws of the State Association and known as the Legal Action Reserve Fund.

The Legal Action Program shall not be considered a substitute for errors and omissions insurance or other protective programs covering members and Member Boards.

#### **Section 1. Purpose.**

- (a) To promote among the Member Boards of this State Association an understanding of their rights and duties under Federal and State law and to defray the expense of legal advice to that end.
- (b) To permit assistance by the State Association's legal counsel to Member Boards on matters relating to threatening litigation from federal, state, or local government authority.
- (c) To provide legal assistance to Member Boards where litigation arises involving Federal or State agencies or local government authority or the Missouri or Federal Courts because of actions of the Member Boards taken at the direction of their governing bodies in accordance

with procedures, policies, or recommendations by the National Association of REALTORS® and/or State Association.

- (d) To defray costs and legal fees in cases where the State Association or one or more Member Boards are made defendant in which the interests of the State Association or all members of the State Association are placed in jeopardy or where principles of general importance to Member Boards or REALTORS® are involved.
- (e) To defray costs and fees to cover the involvement and intervention of the State Association of REALTORS® in matters relating to the Legal Action Program.

## **Section 2. Duties.**

- (a) The Risk Management Committee shall administer the Legal Action Program and all decisions shall be subject to final approval of the Executive Committee.
- (b) All requests for aid from the Program must apply to matters of such nature as to affect real estate licensees statewide or resulting from Federal or State courts and/or agencies.
- (c) Legal counsel shall be only those attorneys authorized by the Executive Committee of the State Association to represent the State Association in said matters.
- (d) Any expense necessary to determine the merits of any case will be defrayed from income accruing to the Legal Action Reserve Fund from investment of its corpus, and said fund may not be used to pay judgment for damages or fines.
- (e) All claims on the Legal Action Reserve Fund shall be submitted to the CEO of the State Association and paid by the State Association as authorized by the Executive Committee.

## **Section 3. Procedures.**

- (a) All requests for assistance must be submitted by or through a Member Board. Said Member Board shall evaluate the request for assistance to determine if it meets one (1) or more of the criteria outlined in Section 3.

**Note:** If it is anticipated that assistance from the Legal Action Program might be requested on any issues at the local level, it is imperative that the Member Board file a request for assistance with the Risk Management Committee as early as possible. The Risk Management Committee must have the opportunity to participate in the early stages of any litigation which may be appropriate for assistance through the Program.

- (b) If, after review of the issue, the Member Board feels involvement by the Risk Management Committee is warranted, the President of the Member Board shall draft a letter to the CEO of the State Association which shall include:
  - 1. A formal request that the matter be considered by the Risk Management Committee.
  - 2. A summary of the facts and circumstances surrounding the issue.



3. A statement explaining why the Member Board feels the involvement of the Risk Management Committee is warranted and setting forth the reasons that the Member Board feels this issue has statewide impact.
  4. An estimate of the anticipated legal fees in the case submitted by the Member Board attorney or the attorney handling the case.
  5. A specific statement regarding the amount of funds the Member Board is requesting from the Legal Action Reserve Fund.
  6. Copies of all documents, including pleadings, depositions, interrogatories, etc., filed with the Court at the time the request is filed with the Risk Management Committee.
- (c) Any request of the Program for assistance by a Member Board or member shall be forwarded concurrently by the CEO of the State Association to the State Legal Counsel, the President of the State Association, and all members of the Risk Management Committee.
- (d) The Chair of the Risk Management Committee may call a special meeting of the Risk Management Committee or may wait until the next regularly scheduled meeting of the Committee. At said meeting, the Risk Management Committee, in collaboration with legal counsel, shall study any claim for its merits, implications, and adherence to due process.

Representatives of the Member Board involved may appear before the Risk Management Committee and make an oral presentation regarding the case and the reasons why the Member Board feels it is worthy of support through the Program.

Member Board may, at its own expense, be assisted by an attorney at said presentation.

If the Risk Management Committee rejects a request, the request may be appealed to the State Association's Executive Committee at its next regular meeting.

#### **Section 4. Disbursement of Funds.**

- (a) If the Board of Directors determines a case is worthy of support, disbursement of monies from the Legal Action Reserve Fund, up to the amount authorized, shall take place in the following fashion:
1. The Member Board shall submit copies of all invoices for legal fees and other costs associated with the case to the CEO of the State Association. Statements for legal services must include detailed timesheets.
  2. The CEO shall issue check(s) to those attorneys who were authorized to represent the State Association in said matter. No checks shall be issued to members of the State Association.
- (b) When the amount of funds authorized by the Board of Directors is exhausted in cases of protracted litigation, additional funds may be requested. Such request shall be submitted by the Member Board President and shall include:
1. A summary of the current status of the case.
  2. A statement of all expenses incurred to date and an estimate of additional expenses anticipated to carry the case to a satisfactory conclusion.

3. A specific statement regarding the amount of funds the Member Board is requesting from the Legal Action Reserve Fund.
4. Copies of all additional documents filed with the Court since the original funding authorization.

(c) Upon receipt of the supplemental request and necessary documents, the procedures outlined in Section 4 hereof shall be implemented.

## Policy 240 — Missouri Good Neighbor Award Program

**Section 1. Purpose.** The Missouri Good Neighbor Award program recognizes and rewards REALTORS® across the state for their dedication to volunteering in their local communities.

### **Section 2. Eligibility Criteria.**

- (a) Nominees must be members of Missouri REALTORS® in good standing.
- (b) Nominees should have contributed to a program that improves the livability of a local community. Those activities are not limited to real estate or housing issues, and may include such things as crime prevention, youth mentoring, and homelessness prevention.
- (c) Nominees should have made a significant contribution of personal time, but contributions of money, materials, or other resources will be considered by the Judges as well.
- (d) Nominees will be judged on level of personal contribution, impact of personal contribution, broadness of impact, and the project's suitability as a role model for other REALTORS®.
- (e) The award is intended to recognize individual contributions, not association- or company-wide efforts. However, if an individual within a company can be singled out as instrumental to the success of a group effort, he or she is eligible. If the achievements of two people (such as a married couple or co-founders of an organization) absolutely cannot be separated, they can enter as a pair and their entry will be considered as one.
- (f) Some portion of the nominee's community work must have taken place during the last 12 months, but Judges will also consider ongoing efforts outside that timeframe that demonstrate a depth of commitment.
- (g) Nominees should be able to document the results of their individual involvement through published reports and/or testimonials from the organization they served or the people they helped.
- (h) Nominations must be accompanied by a completed form to be considered. REALTORS® may nominate themselves or may be nominated by another Missouri REALTORS® member, a state or local association, or the community organization they serve.

### **Section 3. Administration.**

- (a) Applications for the Missouri Good Neighbor Award will be available via the Association's website and must be submitted prior to September 1<sup>st</sup> of each calendar year.

- (b) The Missouri Good Neighbor Award Judges, comprised of past recipients of the Missouri Good Neighbor Award, review the submitted nominations and identify the top two or three award candidates.
- (c) Those candidates identified by the judges are forwarded to the “VIP Judges” who are comprised of the past National Association of REALTORS® Good Neighbor recipients, State Association President, and the award sponsor. The VIP judges will identify the Missouri Good Neighbor Award recipient and an honorable mention.
- (d) Association staff will develop recognition materials to promote the recipient(s).
- (e) The award will be presented annually at the Association’s Winter Business Conference

# Ethics and Standards

## Policy 300 — Enforcement of the National Association of REALTORS® Core Standards for Member Board Affiliation

Every Member Board in the State shall annually demonstrate compliance with the Core Standards for State and Local Associations as set forth by the National Association of REALTORS®.

## Policy 301 — Statewide Professional Standards

**Section 1. Purpose.** The State Association shall have a Grievance Committee, Professional Standards Committee, and Mediation Committee to facilitate the Statewide Professional Standards process and to hold hearings, appeals and procedural reviews for complaints alleging violations of membership duties and as otherwise provided in the *Code of Ethics and Arbitration Manual of the National Association of REALTORS®* (the “CEAM”). Complaints alleging violations of membership duties will be governed by the processes for Ethics Hearings and Ethics Complaints. The CEAM shall govern all matters under this Policy.

- (a) All Committees: Members of the following committees shall be appointed by the Leadership Team after review of qualifications by the State Association’s Professional Standards Administrator. New appointments for each committee shall be made for three (3) year terms, as each term expires, except as provided herein. There will not be a limit on how many consecutive terms a member can serve.
  - 1. **Grievance Committee:** This committee will be comprised of members, no less than twenty-five (25) members who meet the minimum requirements as outlined in the CEAM.
  - 2. **Professional Standards Committee:** This committee will be comprised of no less than twenty-five (25) members, who meet the minimum requirements as outlined in the CEAM. Eligible members will be required to have previously served on the Grievance Committee.
  - 3. **Mediation Committee:** This committee will be comprised of no less than ten (10) members, who are experienced in mediation services or have taken specific training in mediation as offered by the State Association or the National Association of REALTORS®. Members of the Mediation Committee shall also serve as ombudsmen for the State Association’s ombudsman program.

**Section 2. Training and Absence from Grievance Committee Meetings.** Members of the Grievance Committee, Professional Standards Committee, and the Mediation Committee shall be required to participate in Professional Standards training, as offered through the State Association. For every new three (3) year term, members on the Statewide Process Committees must take training in the year of appointment or the first (1st) year of any new three (3) year term. Members required to attend the Professional Standards training shall be entitled to either reimbursement for mileage or lodging accommodations per the Policy Statement below.

Grievance Committee members must attend at least three (3) meetings of the committee in the first two (2) years of any three (3) year term, and four (4) meetings in the full three (3) year term. If a

Grievance Committee member fails to meet this attendance requirement without having been excused by the Professional Standards Administrator as set forth below, the Grievance Committee member shall be construed as having resigned, and the vacancy for the unexpired term will not be filled. The Professional Standards Administrator will notify the Grievance Committee member in writing that the resignation has been accepted. The resigned Grievance Committee member will not be allowed to serve on the Grievance Committee, or any other Statewide Professional Standards Committee until one (1) full calendar from resignation has passed.

A Grievance Committee member who fails to attend a Grievance Committee meeting shall be excused from attendance at that meeting if that member submits a written request for an excused absence along with reasonable supporting evidence to the Professional Standards Administrator not later than ten (10) days after the date of such meeting ("Excused Absence Request"). The Professional Standards Administrator shall review the Excused Absence Request and may grant an excused absence in the event of personal illness, significant family events (including serious illness or death or an immediate family member or person under the care of the member), undue hardship (including military service commitments, extreme weather conditions, and other "force majeure" events) and serious personal emergencies. The Professional Standards Administrator shall notify the member of its decision in writing, which decision shall be final and not subject to appeal.

**Section 3. Fees.** Member Boards who choose to participate in the Statewide Professional Standards process will be billed an annual fee. The amount of the fee shall be set forth in the annual budget and approved by the Board of Directors. The Statewide Professional Standards fee shall be paid to the State Association in the same manner as membership dues. The fee is due January 1st of each year but will be deemed late if not paid by March 31st. The membership count will be based on the number of members for which the State Association has received dues. Member Boards that submit additional dues payments for members that join the State Association or reinstate their membership after the initial payment for the year will include the fee for each additional member. Late payment of this fee will be subject to a Late Fee as set forth in Article XV, Section 10.

Member Boards not otherwise participating in the Statewide Professional Standards process will be empowered to refer cases for disposition through the Statewide Professional Standards process in the event of a conflict but will be charged for the cost of such services at the time they are provided as set forth below.

#### **Section 4. State Association Administered Arbitration.**

In a State Association Administered Arbitration:

- (a) **Filing Fee:** There shall be a filing fee of \$500 for each party to an arbitration proceeding paid to the State Association to hold through the proceedings. Once a decision is rendered by an Arbitration Panel, the prevailing party's filing fee shall be returned and the non-prevailing party's filing fee shall be retained by the State Association. If, however, a dispute is settled through the State Association Administered Mediation process, the filing fees of all parties shall be returned.
- (b) **Procedure:** Upon receipt of a properly filed petition for arbitration, the Professional Standards Administrator shall forward the petition to the Grievance Committee for review. Mediation services shall be offered to the parties after review of the arbitration petition by the Grievance Committee and if the Grievance Committee determines a mandatory arbitrable issue exists

between the named parties, the parties would be required to mediate. The State Association shall provide arbitration services for petitions which are classified as “mandatory” or “voluntary,” except “voluntary” arbitrations described as type three (3) in Section 44 of Part Ten in the CEAM. If the parties are unsuccessful in mediation a disinterested panel of no less than three (3) members will be selected from the members of the State Association Professional Standards Committee to conduct the arbitration hearing on the petition. The arbitration hearing will be conducted in accordance with the CEAM.

- i. If the Grievance Committee dismisses the petition as not being arbitrable, the petitioner may appeal the dismissal. The appeal shall be heard in the manner provided for in the CEAM. The appeal panel will be composed of members of the State Association Board of Directors who also serve on the Professional Standards Committee, and as appointed by the President of the State Association. Appointments will be based on expertise and the appeal panel will contain a minimum of five (5) members and a maximum of seven (7) members.

(c) Expenses of the Arbitration:

- i. The parties to the arbitration shall pay their own legal fees and other costs incidental to their own participation.
- ii. The State Association shall record the hearing and provide the services of Legal Counsel for the State Association.
- iii. Expenses of the panel members shall be paid by the State Association per Policy 409.
- iv. In the case of “voluntary” arbitrations, the State Association shall recover all of its costs and expenses including but not limited to legal fees from the parties.

(d) Location: Hearings shall be conducted at a venue which shall be as geographically convenient as possible to the Panel Members and the parties, typically at the Member Board of the Respondent, in order to avoid undue travel expenses and investment of time. As may be permitted by the Missouri Uniform Arbitration Act, the arbitration may be conducted in the absence of the respondent. Parties may, at their own expense and upon approval of the Chairperson, record audio of the arbitration hearing pursuant to the guidelines in the CEAM.

(e) Procedural Review:

- i. Initiation: Requests for procedural review shall be made in writing and shall be accompanied by a non-refundable \$500 deposit.
- ii. Procedure: Procedural review hearings shall be heard in the manner provided for in the CEAM. Procedural review panels will be composed of members of the State Association Board of Directors, who also serve on the Professional Standards Committee, and as appointed by the State Association President, and chosen from individuals who did not serve on the original Hearing Panel. Appointments will be based on expertise and the panel will contain a minimum of five (5) members and a maximum of seven (7) members. Neither the State Association nor the parties will be allowed to make any recordings of the procedural review hearing.

- iii. Location: All procedural review hearings shall be conducted at the State Association headquarters, in order to avoid undue travel expense and investment of time.
- (f) Refusal to Submit to Arbitration: An allegation that a member has improperly refused to submit to arbitration will be brought before a tribunal of at least five (5) members composed of members of the State Association Board of Directors, who also serve on the Professional Standards Committee, and as appointed by the State Association President, and chosen from individuals who did not serve on the original arbitration Hearing Panel.
- (g) Arbitration Matters Referred to the State Association: Any contractual disputes and specific non-contractual disputes as defined in Standard of Practice 17-4 of the CEAM, (hereinafter “Arbitrable Issues”), between REALTORS® and between REALTORS® and their customers or clients may be submitted to an arbitration panel at the State Association level, except for except “voluntary” arbitrations described as type three (3) in Section 44 of Part Ten in the CEAM, under the following circumstances.
  - i. Arbitrable Issues between REALTORS® who are not members of the same Member Board where the matter has been referred to the State Association by both Member Boards.
  - ii. Arbitrable Issues between REALTORS® who are directly members of the State Association and are not members of any Member Board.
  - iii. Arbitrable Issues between a REALTOR® who does not hold membership in any Member Board, but is directly a member of the State Association, and a REALTOR® who is a member of a Member Board.
  - iv. Arbitrable Issues between REALTOR® members of the same Member Board where the Member Board with good and sufficient reason is unable to arbitrate the controversy. (Explanation: This provision is not designed to relieve a Member Board of its primary responsibility to resolve differences arising between members of the same Member Board. The section recognizes that in some Member Boards with limited membership, usual arbitration procedures may be impossible.)
  - v. Contractual disputes between a customer or a client and a REALTOR® where the Member Board with good and sufficient reason is unable to arbitrate the dispute or the REALTOR® is a direct member of the State Association.

**Section 5. State Association Administered Mediation and Ombudsman Program:**

- (a) Mediation:
  - 1. Initiation:
    - i. For otherwise Arbitrable Issues: The State Association shall only offer Mediation services 1) after receipt of a properly filed arbitration petition and after review of the arbitration request by the Grievance Committee and the Grievance Committee determines an arbitrable issue exists between the

named parties and the parties would be required to arbitrate; or 2) the arbitration is classified as the “voluntary” type three (3) arbitration described in Section 44 of Part Ten in the CEAM;.

2. Procedure: Upon receipt of a signed Agreement to Mediate from each party, a mediator will be selected from among the members of the Mediation Committee. The mediation will be held at a venue which shall be as geographically convenient as possible for the parties and the mediator, typically at the Member Board of the respondent. However, the parties and mediator are encouraged to use conference calls, virtual meetings, or alternative communication technologies for mediations as opposed to in-person mediations.
3. Expenses of the Mediation:
  - i. Parties will pay their own expenses associated and incurred as part of the mediation process.
  - ii. Expenses of the mediator shall be paid by the State Association per Policy 409.
  - iii. If the mediation is successful, the filing fees of the parties will be refunded in equal parts.
  - iv. In any case where the parties agree to participate in a mediation regarding an Arbitrable Issue which is classified as a “voluntary” arbitration, the State Association shall recover all of its costs and expenses including but not limited to its legal fees from the parties.

(b) Ombudsman:

1. Initiation for Arbitrable Issues: Upon request from either party, and prior to filing a petition for arbitration, the State Association shall explain the availability of the State Association ombudsman program and how the process differs from that of the formal arbitration/mediation process. If the party requesting information wishes to pursue a resolution via the State Association administered ombudsman process, the filing deadline for the arbitration petition shall be tolled until either: 1) the ombudsman process is completed; or 2) the other party(ies) refuse(s) to participate in the State Association administered ombudsman process.
2. Initiation for Ethics Issues: Upon request from the complainant, or upon receipt of a properly filed ethics complaint, the State Association shall contact the complainant and explain the availability of the State Association administered ombudsman program and how the process differs from that of the formal ethics complaint process. If the complainant wishes to pursue a resolution via the State Association administered ombudsman process, the filing deadline for the ethics complaint at issue shall be tolled until either: 1) the ombudsman process is completed; or 2) the other party(ies) refuse(s) to participate in the State Association administered ombudsman process.
3. Procedure: Upon receipt of a properly filed ombudsman request, the Professional Standards Administrator will select one (1) member from the Mediation Committee to serve as the ombuds. The ombuds will contact both the complainant and the respondent via telephone or other electronic means in an effort to open a line of



communication and resolve the dispute. The ombudsman process will take place entirely virtually, with no in-person meetings necessary.

4. Expenses Related to Ombudsman: The State Association administered ombudsman program is offered at no cost. Any costs incurred by any party will be the responsibility of the party who incurs the cost.

## **Section 6. State Association Administered Ethics.**

### **(a) Ethics Complaints.**

1. Filing Fee: There shall be no filing fee for any party to an ethics proceeding administered by the State Association.
2. Procedure: Upon receipt of a properly filed ethics complaint, the State Association shall contact the complainant and explain the availability of the State Association administered ombudsman program and how the process differs from that of the formal ethics complaint process. If the complainant wishes to pursue a resolution via the State Association administered ombudsman process, the filing deadline for the ethics complaint at issue shall be tolled until either: 1) the ombudsman process is completed; or 2) the other party(ies) refuse(s) to participate in the State Association administered ombudsman process. If the complainant does not wish to pursue an alternative form of dispute resolution, a disinterested panel of no less than three (3) members will be selected by the Professional Standards Administrator from the members of the State Association Grievance Committee to consider the complaint. Unless the Grievance Committee dismisses the complaint, it shall first determine the following:
  - i. If the complaint includes only Articles and supporting Standards of Practice which are subject to the State Association's Ethics Citation Policy (a copy of which is incorporated below), the Grievance Committee will forward the complaint to the Citation Panel for processing in accordance with the State Association's Ethics Citation Policy. If the complaint is referred back from the Citation Panel, the Grievance Committee will forward the complaint directly to the State Association Professional Standards Committee for hearing.
  - ii. If the complaint includes Articles or supporting Standards of Practice which are not subject to the State Association's Ethics Citation Policy, the Grievance Committee will forward the complaint directly to the State Association Professional Standards Committee for hearing.

Upon referral of a complaint from the Grievance Committee, the Professional Standards Administrator will form a disinterested hearing panel of no less than three (3) members of the State Association Professional Standards Committee to hear the matter. All hearing procedures will follow in accordance with the CEAM.

3. Expense of the Hearing: The parties to the hearing shall pay their own legal fees and other costs incident to their own participation. Under no circumstances shall a party

to an ethics proceeding be responsible for another party's costs. Expenses of the panel members shall be paid by the State Association per Policy 409.

4. If one or more parties to an ethics hearing is found by a panel of the Professional Standards Committee (the "Panel") to be in violation of the Code of Ethics or other membership duty, each violator shall be assessed an administrative processing fee of \$500 (the "Administrative Fee"), which shall be remitted to the State Association. Any Administrative Fee shall be in addition to, and not part of, any disciplinary sanction(s) imposed by the Panel. The State Association must receive the full balance of any assessed Administrative Fees no later than thirty (30) days following notice to the parties of confirmation of the Panel's decision by the Leadership Team.
5. Location: The hearing shall be conducted via virtual meeting at a time and date set in accordance with the CEAM. If a party requests an in-person hearing, and after approval by the Panel Chairperson, the hearing will be conducted at a venue which shall be as geographically convenient as possible to the Panel Members and the parties, typically the Member Board of the respondent, in order to avoid undue travel expenses and investment of time.

(b) Appeals and Confirmations of Ethics Decisions:

1. Initiation of request: Appeals shall be made in writing and shall be accompanied by a \$500 appeal deposit.
2. Procedure: Appeals from Grievance Committee decisions and ethics hearings shall be heard in the manner provided for in the CEAM. Appeal Panels, whether for appeals of Grievance Committee decisions or from ethics hearings, will be composed of members of the State Association Board of Directors, who also serve on the Professional Standards Committee, and as appointed by the President, and chosen from individuals who did not serve on the original arbitration Hearing Panel. Appointments will be based on expertise and the panel will contain a minimum of five (5) members and a maximum of seven (7).
3. Location: All appeals shall be conducted at the State Association headquarters, in order to avoid undue travel expense and investment of time.
4. In the absence of a request for appeal, the Leadership Team of the State Association will act as the "Board of Directors" as that term is used in the CEAM in confirming decisions of ethics hearing panels.

**Section 7. Boards Not Participating in Statewide Process.**

- (a) A Member Board not participating in the Statewide Professional Standards process, prior to referring an ethics complaint or arbitration request for review to the State Association, should exhaust all efforts to impanel an impartial tribunal to conduct either the original hearing or the appeal or procedural review. These efforts may include the appointment of knowledgeable members of the Member Board on an ad hoc basis to serve on either a Hearing Panel or on behalf of the Board of Directors. If, because of notoriety, etc., the Member Board cannot impanel an impartial tribunal, the Member Board may refer the matter to the State Association, and the State Association may delegate to another Member Board or regional enforcement facility, the authority to hear the case on behalf of the State

Association. No Member Board or regional enforcement facility, however, may be required to accept this delegation of authority. If no other entity is amenable to conducting the review, the State Association shall be responsible for conducting the hearing and the Member Board will be assessed a fee for services rendered.

- (b) The costs incurred by parties to an ethics or arbitration matter shall be borne entirely by the parties. The costs of Staff, travel expenses for any required panel or committee members, procedural administration and legal counsel shall be assessed to the Member Board.
- (c) The procedures for any ethics or arbitration proceedings referred to the State Association from a Member Board not participating in the Statewide Professional Standards Process shall be held in accordance with the policies outlined above, and in the CEAM.

**Section 8. Reports.** State Association staff will track the number of ombuds, ethics, and arbitration requests/proceedings, the number of violations found, the number and amounts of awards granted, the number and type of discipline imposed, and which Articles of the Code of Ethics for which the violations were found. This information may be provided in the aggregate to the Risk Management Mission Committee and to the Board of Directors, but will not include details about the complaints, nor identify the complainants or respondents.

## Policy 302 — Ethics Citation Policy

This Ethics Citation Policy (“Citation Policy”) is attached to and part of Policy 301 (Statewide Professional Standards) of the State Association’s Bylaws and Policy Statement. It includes information on the citation process, how citations are issued, and the circumstances where it can be used (the “Citation Program”).

Information about the Citation Program, including the Schedule of Citable Offenses and Fines attached hereto and incorporated herein (the “Citation Schedule”), will be provided as part of the information sent to potential complainants considering filing ethics complaints with the State Association.

The State Association has authorized a Citation Panel, comprised of at least three (3) individuals, to review complaints to determine eligibility for the Citation Program and to issue any appropriate citations pursuant to the Schedule. Individuals on a Citation Panel shall be selected from the Professional Standards Committee appointed pursuant to Policy 301 and have a high level of experience in hearing professional standards cases.

### Initial Review by Grievance Committee and Citation Panel

- (a) When the Grievance Committee receives a written ethics complaint, it will review the complaint consistent with CEAM. The Grievance Committee may add or delete articles or respondents at this stage in the proceedings.
- (b) If the Grievance Committee determines that the complaint should be forwarded for a hearing, the Grievance Committee will first determine if all of the Articles and Standards of

Practice included are covered by the Citation Schedule, i.e., if it is a “citable offense.” The Grievance Committee shall then take one of the two (2) following actions:

- i. If the complaint includes alleged violations which are not included in the Citation Schedule, or it includes some which are covered by the Citation Schedule and some that are not, the complaint shall be referred directly to the Professional Standards Committee for hearing consistent with the policies and procedures set forth in Policy 301 and the CEAM for ethics hearings.
- ii. If the complaint includes only allegations of violations included in the Citation Schedule, the Grievance Committee shall refer the complaint to the Citation Panel for review. The Citation Panel may issue a citation (see below) and impose discipline consistent with the Citation Schedule. Any particular training or education course, and the time permitted within which to complete the same, shall be as specified by the Citation Panel. However, if the members of the Citation Panel determine the conduct described in the complaint is sufficiently egregious to warrant a hearing rather than a citation, the complaint shall be referred to the Professional Standards Committee for hearing consistent with the policies and procedures set forth in Policy 301 and the CEAM for ethics hearings.

### **Issuance of Citations**

- (a) Citations will be sent to respondent(s). A copy of the citation shall also be sent to the REALTOR® principal of respondent’s office. If the respondent changes firms before or after the complaint is filed but before the citation is issued, both the former and current REALTOR® principal will receive a copy of the citation. A copy of the Complaint, including identity of the complainant and all evidence submitted, will be provided along with the citation. A copy of the citation shall also be provided to the Complainant at the time a citation is issued.
- (b) The respondent will have twenty (20) days from the date of transmittal of the citation (the “Deadline”) to request a full due process hearing on the complaint.
  - i. If the respondent does not reply within ten (10) days of transmittal of the citation, a notice shall be issued to the respondent reminding the respondent of the deadline for requesting a hearing. This notice shall also include a reminder regarding the due date for payment of the fine and completion of the education course, if applicable, as well as consequences for non-timely payment of the citation.
  - ii. If the respondent accepts the citation, or if the respondent does not request a hearing on or before the Deadline (in which case the respondent shall be deemed to have accepted the citation), this will constitute a waiver of respondent’s right to a hearing and will be deemed to be a final resolution of the complaint, which shall not be appealable or subject to any further review.
  - iii. If the respondent accepts the citation, or if the respondent does not request a hearing on or before the Deadline, payment must be received by the State Association no later than ten (10) days after the Deadline has elapsed.

1. Upon receipt of payment, notice will be provided to the complainant that a citation has been paid. The case will be deemed to be closed upon receipt of payment and completion of any required educational training by respondent.
  2. Failure to pay the citation amount within ten (10) days after the Deadline will result in the automatic suspension of membership until the citation has been paid. Suspension of membership for failure to pay the citation shall be for no longer than one (1) year, after which time the member shall be terminated from membership.
- iv. If the respondent requests a hearing on or before the Deadline, the complaint shall be referred for hearing. The complainant who initially filed the complaint shall be given the option to proceed as the complainant for the purposes of the hearing and will be afforded all due process rights provided for in the CEAM. Should the complainant be a member of the public who refuses or is unable to participate in the hearing, or should the complainant be a REALTOR® member who refuses or is unable to participate in the hearing, the provisions in the CEAM shall apply.

## **Limitations**

- (a) Any REALTOR® is limited in the number and type of citations that they may receive, according to the following rules:
- i. No more than two (2) citations will be issued to a member within a consecutive twelve (12) month period, starting on the date the first complaint was filed, at the same association.
  - ii. No more than three (3) citations will be issued to a member within a consecutive thirty-six (36) month period, starting on the date the first complaint was filed, at the same association.
  - iii. No additional citations are permitted where the cumulative fine for the citations issued would be more than \$5,000 in any three (3) year period at the same association.
  - iv. The State Association may, at its discretion, adopt and revise or modify from time to time as part of the Citation Schedule, an escalating fine schedule for repeat citations. If an escalating fine schedule is used, the Citation Panel may only consider the past citations for the particular conduct alleged in the complaint.
  - v. The fact that a respondent has previously been issued a citation for any violation – whether or not it was paid – shall not be admissible in any ethics or arbitration hearing, including a hearing to consider a complaint where the respondent rejected a citation and requested a hearing. A hearing panel may consider citations previously issued to the respondent for the purpose of determining appropriate discipline as provided in Subsection C below.
- (b) Citations will not be considered in any publication of violations should such rules be adopted by the State Association.
- (c) Where a hearing panel finds a violation of the Code of Ethics after a hearing, it may consider past citations in determining an appropriate sanction only if the citation was issued for the same violation at issue in the hearing. By way of example, if a citation was issued for failure

to disclose a dual or variable rate commission under Standard of Practice 3-4, that citation could not be considered if a hearing panel later found a violation of Article 3 on some other grounds. Hearing panels will not be informed of past citations for other violations.

- (d) State Association staff will track the number of citations issued, the number of citations paid, and the violations for which citations were issued. This information may be provided in the aggregate to the Risk Management Mission Committee and to the Board of Directors, but will not include details about the complaints, nor identify the complainants or respondents.

### **Citation Policy Schedule of Citable Offenses and Fines**

Fine amounts, as specified below, equally apply to all violations of Articles and Standards of Practice referenced herein:

1st violation \$500  
 2nd violation \$1,000  
 3rd violation \$3,000

For 2nd and 3rd violations only, members are also required to attend a live Code of Ethics course that meets or exceeds the NAR Code of Ethics Training Requirement for new or existing members in addition to any Fine amount imposed. Any specific course required (and time to complete the same) shall be as specified by the Citation Panel.

	<b>Applicable Article and Standard of Practice</b>
<b>Article 1</b>	
Failure to fully disclose and obtain consent from both parties when representing both the seller/landlord and buyer/tenant in the same transaction	Article 1, supported by Standard of Practice 1-5
Failure to submit offers and counter-offers objectively and as quickly as possible	Article 1, supported by Standard of Practice 1-6
Failure on the part of a listing broker to provide, as soon as practical, written affirmation that an offer was presented or written notification that the seller/landlord has waived the obligation to have the offer presented, upon written request of a cooperating broker submitting an offer	Article 1, supported by Standard of Practice 1-7
Failure on the part of a buyer's/tenant's broker to provide, as soon as practical, a written affirmation to the listing broker stating that the counter-offer has been submitted to the buyers/tenants, or a written notification that the buyers/tenants have waived the obligation to have the counter-offer presented	Article 1, supported by Standard of Practice 1-8
Failure to advise sellers/landlords of information specified in Standard of Practice 1-12 prior to entering into a listing contract	Article 1, supported by Standard of Practice 1-12
Failure to advise buyers/tenants of information specified in Standard of Practice 1-13 prior to entering into a buyer/tenant agreement	Article 1, supported by Standard of Practice 1-13

Accessing or using, or allowing others to access or use, a property managed or listed on terms other than those authorized by the owner or seller	Article 1, supported by Standard of Practice 1-16
<b>Article 3</b>	
Failure to communicate a change in compensation for cooperative services prior to the time that REALTOR® submits an offer to purchase/lease the property	Article 3, supported by Standard of Practice 3-2
As a listing broker, attempting to unilaterally modify the offered compensation with respect to a cooperative transaction after a REALTOR® has submitted an offer to purchase or lease that property	Article 3, supported by Standard of Practice 3-2
Failing to disclose existence of accepted offers, including offers with unresolved contingencies, to cooperating brokers	Article 3, supported by Standard of Practice 3-6
Misrepresenting the availability of access to show or inspect a listed property	Article 3, supported by Standard of Practice 3-8
Providing access to listed property on terms other than those established by the owner or the listing broker	Article 3, supported by Standard of Practice 3-9
<b>Article 4</b>	
Failing to disclose REALTOR®'s ownership or other interest in writing to the purchaser or their representative	Article 4 (second sentence)
<b>Article 5</b>	
Providing professional services without disclosing REALTOR®'s present interest in property	Article 5 (limited to present interest, not contemplated)
<b>Article 6</b>	
Accepting any commission, rebate, or profit on expenditures without client's knowledge or consent	Article 6 (first paragraph)
Failure to disclose to a client or customer REALTOR®'s financial benefits or fees received as a direct result of recommending real estate products or services	Article 6 (second paragraph)
Failure to disclose REALTOR®'s direct interest in an organization or business entity when recommending to a client or customer that they use the services of that organization or business entity	Article 6, supported by Standard of Practice 6-1
<b>Article 12</b>	
Failing to present a true picture in real estate communications and advertising	Article 12
Failing to disclose status as real estate professional in advertising and other representations	Article 12
Failure to provide all terms governing availability of a "free" product or service in an advertisement or other representation	Article 12, supported by Standard of Practice 12-1
Failure to disclose potential to obtain a benefit from third party when REALTOR® represents their services as "free" or without cost	Article 12, supported by Standard of Practice 12-2
Advertising property for sale/lease without authority of owner or listing broker	Article 12, supported by Standard of Practice 12-4
Failing to disclose name of firm in advertisement for listed property	Article 12, supported by Standard of Practice 12-5

Failing to disclose status as both owner/landlord and REALTOR® or licensee when advertising property in which REALTOR® has ownership interest	Article 12, supported by Standard of Practice 12-6
Falsely claiming to have “sold” property	Article 12, supported by Standard of Practice 12-7
Failure to take corrective action when it becomes apparent that information on a REALTOR®’s website is no longer current or accurate	Article 12, supported by second sentence of Standard of Practice 12-8
Failure to disclose firm name and state of licensure on REALTOR® firm website	Article 12, supported by Standard of Practice 12-9
Misleading consumers through deceptive framing, manipulating content, deceptively diverting internet traffic, or presenting other’s content without attribution or permission	Article 12, supported by Standard of Practice 12-10
Registering or using of deceptive URL or domain name	Article 12, supported by Standard of Practice 12-12
Representing that the REALTOR® has a designation, certification, or other credential they are not entitled to use	Article 12, supported by Standard of Practice 12-13
<b>Article 14</b>	
Failing to cooperate in a professional standards proceeding or investigation in circumstances when cooperation has been demanded by the association and association has advised REALTOR® failure to cooperate could result in an allegation of a violation of Article 14	Article 14
<b>Article 16</b>	
Conditioning submission of a buyer’s offer on additional compensation from a listing broker	Article 16, supported by Standard of Practice 16-16
Placing for sale/lease sign on property without permission of seller/landlord	Article 16, supported by Standard of Practice 16-19



# Finance

## Policy 400 — Reserves Funds

- (a) Funds in the State Association's Reserve shall be maintained in cash or investments as recommended by the Finance and Budget Committee and approved by the Executive Committee.
- (b) Income from the investment of State Association reserve funds shall accrue to and become a part of the State Association's unrestricted net assets.
- (c) The State Association shall not borrow against funds in one or more reserve accounts beyond the amount necessary to preserve the full allocation of such reserve as determined by these policies except where approved by a two-thirds (2/3) vote of the Board of Directors.

## Policy 401 — Operations Reserve Fund

- (a) The State Association shall maintain an Operations Reserve Fund (the "Operations Reserve"), the specific purpose of which shall be to maintain funds that can be accessed in the event of an emergency or other unexpected circumstance that either materially affects the normal income of the State Association or requires one or more unbudgeted expenditures.
- (b) Unless otherwise determined by the Board of Directors, if the Operations Reserve Fund ("Operations Reserve") falls below twelve (12) months of annual budgeted operating expenses ("Operations Reserve Target"), the annual budget in the calendar year following such event shall include an allocation of in the amount that would be necessary to replenish the Operations Reserve to the Operations Reserve Target. The Board of Directors may, at any time, allocate additional funds to the Operations Reserve up to or over the Operations Reserve Target. Any funds in the Operations Reserve over the Operations Reserve Target may be reallocated at any time by the Board of Directors to any other fund, reserve or otherwise, of the State Association.
- (c) The Executive Committee shall have the authority to approve withdrawals from the Operations Reserve in furtherance of the above purpose as long as the balance of the Operations Reserve after such withdrawal is not less than six (6) months of annual budgeted operating expenses (the "Fund Floor"). Any withdrawal that would leave the balance of the Operations Reserve below the Fund Floor shall occur only upon recommendation by the Executive Committee and approval by the Board of Directors.

## Policy 402 — Building/Facilities Repair and Replacement Reserve Fund

- (a) The State Association shall maintain a Building and Facilities Repair and Replacement Reserve Fund (the "BFRR"), the specific purpose of which shall be to provide a means to fund the repair or replacement of State Association real property, building(s), furniture (but excluding office and other production equipment), fixtures, and to provide for any necessary future expansion of the State Association building(s).

- (b) Unless otherwise determined by the Board of Directors, if the BFRR Reserve falls below \$250,000 (the “BFRR Reserve Target”) the annual budget in the calendar year following such event shall include an allocation of \$10,000 or such lesser amount that would be necessary to replenish the BFRR Reserve to the BFRR Reserve Target. The Board of Directors may, at any time, allocate additional funds to the BFRR Reserve up to or over the BFRR Reserve Target. Any funds in the BFRR Reserve over the BFRR Reserve Target may be reallocated at any time by the Board of Directors to any other fund, reserve or otherwise, of the State Association.
- (c) The Executive Committee shall have the authority to approve withdrawals from the BFRR Reserve in furtherance of the above purpose as long as the balance of the BFRR Reserve after such withdrawal is not less than \$200,000 (the “Fund Floor”). Any withdrawal that would leave the balance of the LA Reserve below the Fund Floor shall occur only upon recommendation by the Executive Committee and approval by the Board of Directors.

### Policy 403 — Legal Action Reserve Fund

- (a) The State Association shall maintain a Legal Action Reserve Fund (the “LA Reserve”), the specific purpose of which shall be to provide a means to fund the implementation of the State Association’s Legal Action Program as set forth in Policy 235.
- (b) Unless otherwise determined by the Board of Directors, if the LA Reserve falls below \$350,000 (the “LA Reserve Target”), the annual budget in the calendar year following such event shall include an allocation of \$25,000 or such lesser amount that would be necessary to replenish the LA Reserve to the LA Reserve Target. The Board of Directors may, at any time, allocate additional funds to the LA Reserve up to or over the LA Reserve Target. Any funds in the LA Reserve over the LA Reserve Target may be reallocated at any time by the Board of Directors to any other fund, reserve or otherwise, of the State Association.
- (c) The Executive Committee shall have the authority to approve withdrawals from the LA Reserve in furtherance of Policy 235 as long as the balance of the LA Reserve after such withdrawal is not less than \$300,000 (the “Fund Floor”). Any withdrawal that would leave the balance of the LA Reserve below the Fund Floor shall occur only upon recommendation by the Executive Committee and approval by the Board of Directors.

### Policy 404 — Issues Reserve Fund

- (a) The State Association shall maintain an Issues Reserve Fund (the “Issues Reserve”), the specific purpose of which shall be to provide a means to fund the Mobilization and Advocacy Program as set forth in Policy 230.
- (b) Unless otherwise determined by the Board of Directors, each annual budget of the State Association shall include a minimum of \$40 per member that is allocated to the Issues Reserve until such time as the balance of the Issues Reserve equals or exceeds \$12,500,000 (“Issues Reserve Target”). If the Issues Reserve Target is met and then subsequently falls below \$12,500,000, the annual Issues Reserve allocation shall resume in an amount that is equal to \$40 per member or such lesser amount per member that would be necessary to replenish the Issues Reserve to \$12,500,000 (“Issues Reserve Target”). The Board of Directors may, at any time, allocate additional funds to the Issues Reserve up to or over the Issues Reserve Target, and will adjust the Issues Reserve Target amount at least every five (5) years

for inflation. Any funds in the Issues Reserve over the Issues Reserve Target may be reallocated at any time by the Board of Directors to any other fund, reserve or otherwise, of the State Association.

- (c) The Finance and Budget Committee may recommend an allocation of up to 5% of the Issues Reserve Fund balance, based on the most recent audit, to offset a portion of the costs for the advocacy program as part of the annual budget proposal.
- (d) Funds may be withdrawn from the Issues Reserve in furtherance of the above purpose only upon recommendation by two-thirds (2/3) vote of the Advocacy Committee and the approval by the Executive Committee. Funds may be withdrawn from the Issues Reserve for purposes other than those specified above only upon recommendation by a three-fourths (3/4) vote of the Executive Committee and a two-thirds (2/3) vote of the Board of Directors.

## Policy 405 — Strategic Initiatives Reserve Fund

- (a) The purpose of the Strategic Initiatives Reserve Fund (the “SIRF”) is to provide a means to fund strategically important programs, initiatives, purchases or events that are not otherwise included in the annual budget of the State Association, but are in support of one or more elements of the State Association’s current strategic plan or any business plans.
- (b) Unless otherwise determined by the Board of Directors, if the SIRF falls below \$500,000 (“SIRF Reserve Target”), the annual budget in the calendar year following such event shall include an allocation of \$20,000 or such lesser amount that would be necessary to replenish the SIRF to the SIRF Reserve Target. The Board of Directors may, at any time, allocate additional funds to the SIRF up to or over the SIRF Reserve Target. Any funds in the SIRF over the SIRF Target may be reallocated at any time by the Board of Directors to any other fund, reserve or otherwise, of the State Association.
- (c) Upon recommendation of the Strategic Planning Committee, the Executive Committee shall have the authority to approve withdrawals from the SIRF in furtherance of the above purpose as long as the balance of the SIRF after such withdrawal is not less than \$250,000 (the “Fund Floor”). Any withdrawal that would leave the balance of the SIRF below the Fund Floor shall occur only upon recommendation by the Executive Committee and approval by the Board of Directors. For programs, initiatives, purchases, or events that would require ongoing financial support, beyond a one-time withdrawal from the SIRF if implemented, the Finance and Budget Committee must also provide a recommendation to the Executive Committee.
- (d) Funds may be withdrawn from the SIRF for purposes other than those specified above only upon recommendation by a three-fourths (3/4) vote of the Executive Committee and a two-thirds (2/3) vote of the Board of Directors.

## Policy 406 — National Officer Campaign Reserve Fund

- (a) The purpose of the National Officer Campaign Reserve (the “NOCRF”) is to provide campaign funds for State Association members who are running for NAR First Vice President or NAR Treasurer and have been endorsed by the NAR Path to Leadership Committee through their vetting process.

- (b) A State Association member who has been endorsed may receive up to \$100,000 from the NOCRF for their campaign, after verifying any personal financial commitment and presenting their campaign budget. Any funds provided will be made as reimbursement for eligible expenses incurred if submitted within sixty (60) days of expenditure.
- (c) Unless otherwise determined by the Board of Directors, if the NOCRF falls below \$200,000 (“NOCRF Reserve Target”), the annual budget in the calendar year following such event shall include an allocation of \$25,000 or such lesser amount that would be necessary to replenish the NOCRF to the NOCRF Reserve Target; but only when there is an actual net profit. The Board of Directors may, at any time, allocate additional funds to the NOCRF up to or over the NOCRF Reserve Target. Any funds in the NOCRF over the NOCRF Target may be reallocated at any time by the Board of Directors to any other fund, reserve or otherwise, of the State Association.
- (d) Upon recommendation of the NAR Path to Leadership Committee, the Executive Committee shall have the authority to approve withdrawals from the NOCRF in furtherance of the above purpose as long as the balance of the NOCRF after such withdrawal is not less than \$50,000 (the “Fund Floor”). Any withdrawal that would leave the balance of the NOCRF below the Fund Floor shall occur only upon recommendation by the Executive Committee and approval by the Board of Directors.
- (e) Funds may be withdrawn from the NOCRF for purposes other than those specified above only upon recommendation by a three-fourths (3/4) vote of the Executive Committee and a two-thirds (2/3) vote of the Board of Directors.
- (f) To ensure funds provided to the endorsed candidate by the State Association are used efficiently, the endorsed candidate's campaign will be subject to review by the Committee, in consultation with the endorsed candidate, every three (3) months. The review will include recommendations for adjustments, which may include a decision to discontinue State Association support if a determination is made that the campaign is unlikely to be viable or successful, for whatever reason. In the unlikely event where an endorsed candidate is successfully elected but later resigns, is voted out, or removed from their position for reasons not disclosed during the screening/vetting process but later discovered, or violates the NAR Consent to Serve (which includes but is not limited to harassment), the endorsed candidate will be responsible for reimbursing the State Association for any campaign funds previously received.

## Policy 407 — Committee Initiative Reserve Fund

- (a) The State Association shall maintain a Committee Initiative Reserve Fund (the “CIRF”), the specific purpose of which shall be to provide a means to fund unbudgeted projects and efforts of the State Association’s Standing Committees.
- (b) Unless otherwise determined by the Board of Directors, if the CIRF falls below \$50,000 (“CIRF Target”), the annual budget in the calendar year following such event shall include an allocation of \$20,000 or such lesser amount that would be necessary to replenish the CIRF to the CIRF Target. The Board of Directors may, at any time, allocate additional funds to the

CIRF up to or over the CIRF Target. Any funds in the CIRF over the CIRF Target may be reallocated at any time by the Board of Directors to any other fund, reserve or otherwise, of the State Association.

- (c) Upon recommendation of the Standing Committee, the Executive Committee shall have the authority to approve withdrawals from the CIRF in furtherance of the above purpose as long as the balance of the CIRF after such withdrawal is not less than \$20,000 (the “Fund Floor”). Any withdrawal that would leave the balance of the CIRF below the Fund Floor shall occur only upon recommendation by the Executive Committee and approval by the Board of Directors. For programs, initiatives, purchases, or events that would require ongoing financial support, beyond a one-time withdrawal from the CIRF if implemented, the Finance Committee must also provide a recommendation to the Executive Committee.
- (d) Each Standing Committee may submit as many requests for funds from the CIRF so long as the total amount requested is no more than \$5,000 total in a calendar year. Any request made by a Standing Committee in excess of \$5,000 shall occur only upon recommendation by the Executive Committee and approval by the Board of Directors. Further, Standing Committees are encouraged to collaborate on requests where applicable.

Funds may be withdrawn from the CIRF for purposes other than those specified above only upon recommendation by a three-fourths (3/4) vote of the Executive Committee and a two-thirds (2/3) vote of the Board of Directors.

## Policy 408 — Travel by Leadership Team and Staff

**Section 1.** Travel by the President shall be at their discretion within the limits of the annual budget.

**Section 2.** Travel by the Leadership Team of the State Association shall be at the discretion of the President within the limits of the annual budget.

**Section 3.** Travel by the Staff shall be at the discretion of the CEO within the limits of the annual budget.

## Policy 409 — Reimbursement for Member Travel Expense

**Section 1. Purpose.** This Policy outlines the expenses that will be reimbursed to members traveling on behalf of the State Association. The process and requirement that must be followed in order to receive expense reimbursements are outlined throughout this Policy. Any questions regarding this policy should be addressed to the CEO or the Vice President of Finance & Operations.

This Policy is in place to ensure compliance with minimum IRS requirements, to reimburse our members for expenses incurred while traveling on behalf of the State Association, and to ensure proper stewardship of State Association funds.

### **Section 2. General Guidelines.**

- (a) Expense Report Deadline and Reimbursement. State Association provided expense reports must be submitted within 45 days of the trip end date. All expense reports must be submitted

via email to [accountspayable@morealtor.com](mailto:accountspayable@morealtor.com). The State Association will process all approved expense reports and send payment to the member within 30 days from submission. If any discrepancies to this Policy are noted, the State Association Finance Department will seek clarification which could cause delay in the reimbursement period.

- (b) **Receipt Requirements.** Receipts are required for all expenditures, except for cash tips and other small incidental items for which a receipt is not given. Staff has the flexibility to reimburse for expenditures not supported by a receipt up to \$75 per item. Credit card statements will not be taken as a substitute for receipts. If a receipt is not provided in compliance with this section, reimbursement for that item will not be made and notification of the adjustment will be sent via email.
- (c) **Dollar Limits.** Actual expense reimbursement will be made only for incurred costs, but total trip reimbursement may be limited based on the approved trip maximum defined in the annual budget or other State Association Policies. These specific trip limits are indicated below in Section V. of this Policy. If a member holds multiple positions (e.g., National Director, Officers, Federal Political Coordinator), the member will only be reimbursed for one budgeted position when attending a meeting.
- (d) **Cash Advances and Purchase Cards.**
  - a. Cash advances will not be made. Members will be responsible for initial payment and requesting reimbursement unless otherwise notified by Staff that arrangements will be made on their behalf.
  - b. Unless expressly requested otherwise, all Leadership Team members will be issued a purchase card to be used for travel and entertainment purposes in accordance with this policy. Where possible, all charges should be charged directly to their assigned purchase card. The Leadership Team member is responsible for obtaining and submitting receipts for all charges in compliance with this Policy. All receipts must be submitted on the State Association approved expense report as if requesting expense reimbursement. Any charges that cannot be supported by receipt, when applicable, must be reimbursed to the State Association within thirty (30) days after invoicing.

### **Section 3. Reimbursable Expenses.**

- **Air Transportation.**
  - a. Members are responsible for making their own air transportation arrangements, unless otherwise instructed by Staff. Tickets should be purchased as early as possible to take advantage of the lowest fares and reimbursement will only be made for coach/economy class seats. If the member wishes to upgrade their class or seating, the additional cost is not reimbursable. To request reimbursement in these instances, the member must provide the cost of economy/coach class tickets on the same day they purchase their upgrade or premium seats to determine the amount to be reimbursed.
  - b. Members will be responsible for any additional costs incurred resulting from the use of indirect routes or stops for personal reasons. Check baggage fees are reimbursable for up to two checked bags per trip. However, overweight baggage fees are not

reimbursable. In flight wi-fi fees are reimbursable. Convenience charges, such as priority check-in, are not reimbursable. Members will not be reimbursed for tickets purchased using frequent flyer miles or personally earned vouchers.

- Ground Transportation.
  - a. Local transportation costs incurred for business purposes are reimbursable (e.g., taxi, rideshare, bus, rail, or shuttle to and from the airport). All tips should be included in the total cost and are reimbursable up to 20%.
  - b. Mileage will be reimbursed at the IRS allowable rate for miles driven in a personal vehicle. Mileage will not be reimbursed if it exceeds the cost of airfare travel. To be reimbursed for mileage in these instances, a quote for air transportation must be included with the expense report and mileage will be reimbursed up to the quoted flight cost. The quote must be obtained at least 45 days prior to the travel date. Gas used in a personal car is not reimbursable because the IRS rate includes this expense in the mileage reimbursement calculation. Traffic and parking violations received while traveling on behalf of the State Association are not reimbursable.
  - c. Miles driven to/from the airport are reimbursable, as well as airport parking and other garage fees.
  - d. Car rental fees are reimbursable only when prior approval is obtained from the CEO or Vice President of Finance & Operations. This approval must be obtained in writing and included with the expense report submission. In the case a rental car is approved, the collision damage waiver must be purchased. This is to ensure that you will not be liable for out-of-pocket expenses should an accident occur.
- Lodging. Members are responsible for making their own lodging arrangements, unless otherwise instructed by Staff. All room and tax charges are reimbursable; however, incidental expenses are not reimbursable and are outlined in Section V. below. Premium charges to upgrade for a room are not reimbursable unless otherwise approved by the State Association. The State Association will not reimburse for “no show” rooms due to the member’s failure to cancel unneeded room nights. Lodging receipts, which include line item expenditures and proof of payments must be submitted with the expense report.
- Meals and Incidentals. Members will be reimbursed for actual meal and snack costs. Meals and snacks will only be reimbursed for one travel day each way. Costs of meals will vary depending on geographic location and prudence should be used when incurring meal costs. All tips should be included in the total cost of the meal and are reimbursable up to 20%.
- Guest Entertainment. Only the State Association Leadership Team has approval to incur entertainment costs. Per the IRS, the expense report must include the names of the guests and the business purpose of the entertainment.
- Tips. Reasonable cash tips incurred while traveling on behalf of the State Association are reimbursable. Only cash tips for items not associated with meals or transportation should be reported separately on the submitted expense report (e.g., bellhop tips).
- Fax and Internet. Charges incurred for faxing or internet access during air transportation (e.g., in-flight Wi-Fi) and hotel stays for State Association business purposes are reimbursable.

- **Conference Registrations.** Members are responsible for making their own conference registration arrangements unless otherwise instructed by Staff. Costs for conference registration are reimbursable within the approved trip maximum defined in the annual budget or other State Association Policies.

**Section 4. Non-Reimbursable Expenditures.** The following expenses are non-reimbursable to members traveling on behalf of the State Association. Personal entertainment (e.g., movies, airline headphones, magazines, airline drinks), barber or beautician services, minibar snacks, toiletries, dry cleaning clothing, air-to-ground calls, service fees related to traveler convenience (e.g., priority boarding), gas for personal vehicles, and traffic fines and parking violations.

**Section 5. Reimbursable Trips by Position.** At least fourteen (14) days prior to all trips considered reimbursable in the table below, Staff will provide members eligible for reimbursement pursuant to this Policy, an expense reimbursement form, the maximum amount that will be reimbursed, and dates by which these request forms are due, along with any other pertinent information.

Position/Committee	Trips Reimbursable	Exceptions
Leadership Team	All trips as approved in annual budget	N/A
Executive Committee	The State Association Business Conferences and specially called meetings	N/A
State Association Standing Committees	Specially called meetings	Does not include the State Association Business Conferences
State Association Ad Hoc Committees	Specially called meetings	Does not include the State Association Business Conferences
Statewide Professional Standards Committees	Required Professional Standards Annual Training, Professional Standards, Arbitration, and Mediation Hearings	For required Professional Standards Annual Training will reimburse either hotel or mileage, not both
Task Forces	Specially called meetings	N/A
State Allocated NAR Directors*	NAR Legislative Meetings, NAR Annual Convention	N/A
Federal Political Coordinators*	NAR Legislative Meetings	N/A
State Association REALTOR® of the Year ("ROTY") *	For attending ROTY events at NAR Annual Convention	N/A
Missouri YPN Committee Chair*	For attending NAR YPN Advance	N/A

\* Trip allowance and reimbursable expenses subject to the amount set forth in the State Association's Annual Budget.

## Policy 410 — Travel of the CEO

Travel by the CEO shall be at the discretion of the President within the limits of the annual budget. The State Association shall furnish an automobile for the CEO. All intra-state travel by the CEO shall be by company auto, unless authorized otherwise by the President of the State Association. The State Association shall pay all reasonable expenses of the CEO per contract, when requested and authorized by the President to attend industry related functions outside of the State, such as the meetings of the National Association of REALTORS®.



The Treasurer shall approve all CEO's travel expense reports no less than quarterly. The Treasurer shall consult with other available State Association elected Officers should a question arise regarding any of the expense reports presented for approval.

### Policy 411 — Sales to Members

There shall be a minimum dollar amount for any charge orders for State Association products or services placed by State Association members. The minimum dollar amount has been set by the Board of Directors.

### Policy 412 — Sales to Nonmembers

All sales of goods and services by the State Association to nonmembers shall be on a cash basis. No charge privileges shall be extended to nonmembers. It is the general policy of the State Association to establish higher fees and sales prices for the purchase of goods and services by nonmembers. The higher fee is charged to offset the indirect costs involved in the production of these goods and services which the non-member does not support by dues payment.

### Policy 413 — Advance Payment for Meals

When advance payment for meals is received for State Association sponsored events or programs, full refund of the payment for meals will be made if notice of cancellation is received by the State Association seventy-two (72) hours before the scheduled starting time of the meal. If notice is received by the State Association less than seventy-two (72) hours before the scheduled starting time of the meal, no refund will be made. When meal functions are included as part of a total registration fee, that portion of the fee attributable to meal costs will be deducted in full from any refunds of registration fees on cancellations received less than seventy-two (72) hours before the scheduled starting time of the meal.

### Policy 414 — Refunds on Items Sold by the State Association

Full refund of purchase price less fifteen percent (15%) will be made to any purchaser of products, forms, or books sold by the State Association who returns the purchased merchandise to the State Association, provided that the merchandise is returned postage paid in an undamaged, unmarked and resalable ("like new") condition. The decision as to the condition of the returned merchandise shall be made solely by the CEO of the State Association.

### Policy 415 — Accounting Basis and Revenue/Expense Recognition

The State Association's annual financial statements are prepared in conformity with generally accepted accounting principles. These principles require the CEO and Vice President of Finance & Operations to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The annual financial statements of the State Association are prepared on the accrual basis of accounting. Revenues are recognized when earned and expenses when incurred. The format of the annual financial statements follow the recommendations of the American Institute of Certified Public Accountants in its industry audit guide, “Audits of Certain Nonprofit Organizations.”

To ensure observance of limitations and restrictions placed on the use of resources available to the State Association, the accounts of the State Association are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. Separate accounts are maintained for each fund and reported in detail under fund group headings.

## Policy 416 — Compliance Reporting

It is the State Association’s policy to strictly adhere to all governmental and regulatory reporting deadlines, without exception.

*IRS Form 990 Tax Reporting:* The State Association is exempt from income tax under Section 501(c)(6) of the U.S. Internal Revenue Code. The Association’s federal Exempt Organization Income Tax Returns (Form 990) are filed at the end of each reporting year. It is the responsibility of the State Association CEO and Vice President of Finance & Operations to ensure timely filing of all IRS 990 requirements.

*IRS 1099s:* During the course of the fiscal year, the Vice President of Finance & Operations is responsible for monitoring and tracking vendor payments for compliance with the IRS 1099 reportable income regulations.

All vendors initially performing services are required to submit a completed W9 form before payment is released. Paper 1099 forms are prepared annually for the previous calendar year activity and sent to all eligible recipients no later than the stated IRS deadline date, which is normally January 31st. Subsequently, files containing all 1099 activity are filed with the IRS by the stated deadline date (normally March 31st).

## Policy 417 — Payment Policies

The payment policies of the State Association are designed to maintain positive vendor relationships, preserve the State Association’s credit worthiness, and maximize the benefits of positive cash flow in the organization.

The State Association’s standard policy is to provide payment to vendors performing services or providing goods within a term of net 30 days. An alternative payment term may be established for a particular vendor upon entering into a contractual arrangement with the State Association and these exceptions are handled on a case-by-case basis. The default payment method for all vendors will be check or ACH based on the vendor’s preference.

## Policy 418 — Capitalization and Depreciation of Property and Equipment

It is the policy of the State Association that Property and Equipment are to be stated at cost. Major renewals and improvements that significantly add to the productive capacity or extend the life of an asset and have a purchase price of over \$2,500 are capitalized. Maintenance and repair costs are charged to expense. At the time property is sold, retired, or otherwise disposed of, the costs and related accumulated depreciation are removed from the asset and accumulated depreciation accounts, and any resulting profit or loss is reflected in income. Uses of operating or designated funds for plant acquisitions are accounted for as transfers to the property and equipment fund. Proceeds from the sale of plant assets will be transferred to unrestricted fund balance. Substantially all property and equipment are depreciated on a straight-line basis. Depreciation rates are based upon the estimated useful lives of the assets, which range from 3 to 30 years.

## Policy 419 — Document Retention

It is the State Association's policy to retain financial records in accordance with the below schedule. All documents will be retained in electronic format on the State Association's internal servers. The servers of the State Association will be backed up on a nightly basis and have necessary security software to ensure safe retention of these documents in the case of server failure, natural disaster, or cyber-attack.

Accounts Payable Vouchers	7 years
Accounts Receivable Billings	3 years
Audit Reports	Indefinite
Back-ups of Accounting Data Files	7 years
Cash Receipts and Deposits	3 years
Contracts	7 years
Financial Status Reports – Internal	7 years
Membership Dues Payment Records	3 years
Payroll Records and W-2s	3 years
Payroll Tax Filings	Indefinite
Tax Return Filings	Indefinite
All other accounting records	7 years

## Policy 420 — Compensation

Compensation for Staff of the State Association is determined jointly by the department Vice Presidents and CEO. All salaries are subject to final approval of the CEO and are reviewed on an annual basis. If the combined compensation for all Staff will exceed the approved annual human resources budget by greater than \$10,000, the CEO must obtain final approval from the Leadership Team.

The salary of the CEO is determined annually by the State Association's Leadership Team and is subject to any requirements set forth in the CEO's employment contract. The salary of the CEO is reviewed on a frequent basis for market reasonableness and is periodically certified as compliant with the guidelines and requirements set by the IRS for the "rebuttable presumption of reasonableness."

Further stipulations for employee performance reviews, wage expectations, and other benefits are set forth in the State Association's Employee Manual.

## Policy 421 — Financial Information Disclosure Policy

The State Association will make available to all general members a copy of the most recent audited financial statements, as well as the accompanying accountant's report. A general member may obtain these financial statements electronically through the State Association's member website. A general member may also make a request to the Treasurer or President to view any interim financial statements provided during the regularly scheduled Board of Directors meetings. The State Association will also furnish any financial data as required by any applicable State law.

The Board of Directors and any member serving on a Committee of the State Association may obtain an electronic copy of the monthly financial statements via request to the Treasurer or President. Such financial statements will be treated in a confidential manner and not distributed to other parties without consent of the State Association Leadership Team.

Any member of the State Association Leadership Team or Finance and Budget Committee may request detailed financial information from the CEO or Vice President of Finance & Operations at any time. This information is available to these members as a means to fulfilling their fiduciary responsibility to the State Association.

Outside organizations or any non-members will only be shown such financial statements if it is required by law or deemed necessary in the course of business. All such requests may be granted by the CEO without approval from the President or Treasurer. The CEO will notify the Leadership Team of any financial statements that were provided by requirement of law.

Any requests made in compliance with this policy may be made by either written or electronic means. Requests may also be coordinated through the CEO or Vice President of Finance & Operations who will then obtain any applicable approvals from the President or Treasurer.

## Policy 422 — Fraud Risk Oversight and Ownership

The CEO and Vice President of Finance & Operations are charged with the application of fraud related policies of the State Association as outlined in the State Association's Policies. The Finance and Budget Committee is charged with reviewing such related policies on an annual basis to ensure proper identification and assessment of fraud risks.

The Vice President of Finance & Operations is also responsible for maintaining detailed internal financial procedures. These procedures should foster an environment that reduces fraud risks through proper segregation of financial duties, within staffing limitations. The Finance and Budget Committee may review these internal procedures at any time and make recommendations for such processes if deemed necessary. Further, the Finance and Budget Committee will consult with the selected auditor on an annual basis regarding their assessment of internal financial procedures and segregation of duties.

The CEO and department Vice Presidents shall work to cultivate an environment of honesty, respect, and ethics throughout the organization. All levels from the CEO to all other employees follow guiding principles set forth in the State Association's Mission and Vision Statements. Further all employees are guided by the principles defined in the Employee Handbook. The Handbook includes, among other useful information, the rules of conduct, whistle blower policy, etc. The Handbook can be obtained by Staff electronically through The Landing, or other electronic format as may exist from time to time.

## Policy 423 — Investment Policy Statement

**Section 1. Purpose.** The purpose of this Investment Policy Statement ("IPS") is to outline the objectives of the State Association's Investable Assets (the "Assets") and the Investment Portfolio (the "Portfolio") through setting the appropriate level of risk tolerance, investment goals, defining responsibilities, and to provide guidance to the Investment Fund Advisor. This IPS was designed through a review of the State Association's investment goals and objectives, risk and time horizons, and projected current and future financial needs.

The State Association's assets can be divided into two investment pools with differing investment guidelines and constraints:

- Assets deployed for the support of current year operations and programming
- Reserves

The establishment of specific guidelines within this IPS, Investment Manager, and staff relationship will provide a means for more efficient, timely and consistent monitoring and analysis of the Assets and the Portfolio to ensure the State Association properly carries out its obligation to be a good steward of State Association funds.

**Section 2. Objectives.** The three primary objectives of the IPS are listed below. The composition of the overall portfolio should be designed to meet these three primary objectives:

1. Provide a source of funds for a portion of the State Association's annual operational budget, considered to be the "Operating Funding Target."
2. Preserve the corpus of existing Reserve funds while securing long-term moderate growth of such funds, taking into account the short-, mid- and long-term potential uses of each Reserve fund.
3. Provide a means of investment of the State Association's yearly excess dues income, that is over and above annual budgeted expenditures, such that funds will be considered investable assets.

The IPS consists of two broad Asset types:

- Real Assets
- Cash and Marketable Securities

### *Real Assets*

The State Association may own real property for the primary purpose of housing the Association's staff. Any office space not needed for the conduct of Association business can be leased to outside tenants in order to maximize Association revenues. The oversight of these assets is the responsibility of the Executive Committee.

In certain instances, the State Association's Executive Committee may consider additional purchases of real property when opportunities arise and in alignment with long-term strategic goals and objectives. Examples of these opportunities include the purchase of property adjacent to existing Association structures and/or purchase of current leased property made available to purchase.

### *Cash and Marketable Securities*

The State Association maintains various marketable securities, each with its own set of investment goals, risk profiles, levels of diversification and intended purposes. These portfolios may be managed by Association staff or by various external investments, with the input and support of independent investment advisors. The ongoing results of each portfolio are reviewed at least semi-annually by the Finance and Budget Committee and measured against stated goals and objectives for risk and return.

Funds deemed to be current year in nature can be invested in marketable securities. The investment time horizon for these funds should be commensurate with the expected usage of the funds in the Association's current year of operations. Investment of assets must be limited to exposure to market risk and should be limited to asset classes that fall under the broad classification of fixed income investments.

- Investable Assets — Volatility: The State Association shall maintain cash and cash equivalent exposure for all determined investable assets.
- Portfolio — Volatility: The State Association understands that short-term market volatility is unavoidable and is willing to accept certain levels of this short-term volatility to accomplish overall long-term growth. The State Association understands there is no guarantee the Portfolio will perform to the stated acceptable volatility targets but will strive to manage the IPS to make a best effort to minimize excess volatility. The level of short-term volatility the State Association is willing to accept is based on an acceptable variance from the below standard indices. The State Association is willing to tolerate a negative variance up to 2% of the rate of return on the portfolio, relative to the portfolio's overall benchmark, for no more than two consecutive quarters. If the negative variance persists for longer than this stated period, the Finance and Budget Committee will request a meeting with the Investment Advisors within 45 days:
  - Fixed Income: Barclays Intermediate Government/Credit Index
  - Equities: 75% Russell 3000/25% MSCIACW (ex., U.S.)
  - Overall Benchmark: 70% Fixed Income/30% Equities

To satisfy Objective #1, the Finance & Budget Committee shall set an operating funding target to be funded by returns from the Portfolio during the annual budgeting process. Due to the potential of short-term volatility, the target should be reviewed each year based on current market conditions. The operating funding target shall be two percent (2%) of the total expected Portfolio value for the relevant budget year. The expected Portfolio value shall be based on a three-year moving average determined by the Portfolio's value at June 30th of the three preceding years taking into consideration any out of the ordinary expenditures of Portfolio funds that occurred during such three-year period or that is expected to occur in the relevant budget year.

**Section 3. Portfolio Investment Strategy Guidelines.** The State Association's Investment advisor shall be authorized to invest the State Association's Portfolios as follows:

- Guidelines – Fixed Income
  - The Portfolio will be invested in fixed income securities or cash equivalents denominated in the U.S. including but not limited to: money market funds, mutual funds, certificates of deposit, commercial paper, U.S. Government and Agency securities, corporate, mortgage-backed securities (including non-agency issues), asset-backed securities, sovereign and municipal obligations.
  - The bond Portfolio will be adequately diversified according to the internal policies maintained by the Investment Advisor regarding individual securities and industries to avoid the undue risk inherent in non-diversified holdings.
  - The average duration of the bond Portfolio is not to vary more than +/-30% of the duration of the benchmark index.
  - In the core component, securities not issued by the U.S. Government or an agency of the U.S. Government should have a rating in the first four quality grades (AAA, AA, A, BAA) as established by one or more of the nationally recognized bond rating services. The core bond Portfolio will maintain a minimum average quality of A-/A3 or better, on a market value weighted basis.
  - Up to 15% of the Portfolio may be allocated to the fixed income “plus” sectors, including but not limited to high yield corporate bonds, bank loans, subordinated trust and trust preferred securities and international/emerging market debt both dollar and non-dollar denominated.
  - The purchase of BBB rated securities will be limited to 15% of the core bond Portfolio market value. Securities downgraded to below the BBB range may be held at the manager's discretion, but approval must be obtained from the State Association to hold these securities longer than 45 days. At any point, the total value of securities downgraded below a BBB rating cannot exceed 5% of the core bond Portfolio.
  - Portfolio will maintain a maximum position size of less than 5% (not including US Government or Agency issues) of any individual security.
- Guidelines – Equities
  - The Equity Portfolio will be invested primarily in a diversified mix of outside managed mutual funds, index funds, and/or individual equities.
  - Investments in any single company shall not exceed more than 10% of the market value of the Equity Portfolio.

- Guidelines – Alternatives
  - Aggregated hedge fund-of-funds should be diversified, whether by asset class, strategy, manager, geography, sector, or other factors. Likewise, aggregated real estate and commodity investment should generally represent a broad basket of properties, commodities, or securities.
  - Investments with liquidity and pricing that are less frequent than daily shall be approved by the Finance and Budget Committee, such as hedge funds and private placements.
  - Alternative Investments shall not exceed more than 10% of the market value of the Equity Portfolio.

**Section 4. Portfolio Target Asset Allocations.** After review of the investment objectives of the Portfolio, the following target asset allocation parameters have been set to meet the overall objectives defined above:

- Bonds: 70%
- Equities: 30%

The State Association's Investment advisor shall be authorized to invest funds within a  $\pm 10\%$  deviation of the above target parameters.

**Section 5. Established Targets and Risk Tolerance for the Portfolio.**

- Time Horizon — For Unrestricted Net Assets and Reserve funds, the time horizon of the Portfolio shall be in perpetuity. This time horizon shall allow tolerance for short-term negative fluctuations in market performance as the overall objective is long-term capital growth.
- Risk Tolerance — The definition of risk can be defined in many ways. The State Association looks at many different elements to define risk:
  - Asset preservation. The risk that an overall loss will be incurred over the time horizon.
  - Market risk. The inherent volatility of short-term outcomes and possible volatility over the time horizon.
  - Annual returns. The risk that the Portfolio performance will fail to meet the operational funding target needs.

The State Association has considered various factors in determining the overall risk level based on the objectives of the IPS. The State Association has determined it is willing to accept a low level of risk. This will allow the State Association to focus on its primary objective to obtain a long-term moderate growth rate, while best ensuring the current purchasing power is maintained. The Finance and Budget Committee can review and revise acceptable levels of risk as objectives for the State Association to change from time to time.



**Section 6. Portfolio Restrictions.** After review of the investment goals and objectives, performance expectations, time horizon, and risk tolerance level, it has been determined that the following investment vehicles and investment transactions will be prohibited:

- Letter stock and other unregistered securities
- Commodity and futures contracts
- Investments in equity securities of a company that has a record of less than three years of performance
- Derivatives
- Investment for purposes of obtaining control of management
- Margin transactions
- Short selling or selling uncovered put or call options
- Other high risk investment vehicles

**Section 7. Responsibilities.** Policy 420 of the State Association Policy Statement charges the Finance and Budget Committee to ensure the stability of the State Association's current and future financial posture. In furtherance of this charge, the Finance and Budget Committee is tasked with conducting an ongoing examination of current State Association investment policies and investment instruments and, when necessary, develop and implement any necessary changes to State Association Investment Policy subject to Board of Directors' approval.

To satisfy these responsibilities, the Finance and Budget Committee shall:

- From time to time, develop reasonable and consistent investment objectives, policies and guidelines including, without limitation, risk tolerance levels and time horizons that direct the investment of the State Association's funds.
- Source and recommend a qualified Investment Advisor to manage the Portfolio and provide continued investment recommendations and periodic investment performance reports. The Committee shall regularly (not less than semi-annually) review the selected Investment Advisor to ensure compliance with this IPS and its stated objectives.
- Provide reports to the Executive Committee when requested and to the Board of Directors at their regularly scheduled meetings on the Portfolio's performance.
- Recommend to the Board of Directors proposed revisions to this IPS when the Finance and Budget Committee determines that such revisions are in the best interests of the State Association.

## **Section 8. Delegation of Responsibilities.**

### *Treasurer*

The Treasurer of the State Association may delegate the day-to-day responsibility over the Assets to the State Association's Vice President of Finance & Operations, and the CEO as applicable. The ongoing results of the Assets are reviewed at least semi-annually with the Finance and Budget Committee.

### *Investment Advisor*

The State Association has entered into an agreement with an Investment Advisor to provide day-to-day management of the Portfolio, including the ability to independently make buy and sell transactions within the constraints of this IPS. The Finance and Budget Committee will periodically review the Investment Advisor relationship to ensure the Investment Advisor is performing in a manner consistent with this IPS and consistently performing at or above standard Benchmarks defined below. The Finance and Budget Committee shall perform a request for bid process at least every 5 years. In performing the request for bid process, a successful Investment Advisor candidate must meet the following criteria:

- Be an Investment Management Company subject to the Investment Company Act of 1940 and the Securities Exchange Act of 1934
- Be willing to show historical performance for organizations similar to the State Association, reported both gross and net of fees
- Provide a detailed fee schedule
- Provide information about the history of the Company and information on current key personnel and support staff that will be working directly with State Association staff
- Have no pending claims or past legal judgments against it related to investment mismanagement or unethical behavior
- Provide clearly defined investment strategies including, without limitation, buy/sell tactics that are consistent with the State Association's investment philosophy

### *Other Investment Professionals*

The State Association may enter into agreement(s) with other investment professionals, such as an Investment Consultant to help further the stated purpose, goals, and objectives of this IPS.

## **Policy 424 — Bonds**

All Officers and State Association Staff handling the funds of the State Association in the normal discharge of their duties shall be bonded in such amount as may be fixed by the Executive Committee, the expense of such bonds to be paid by the corporation.

## **Policy 425 — Authorized Signatures and Authority to Contract**

The CEO/Corporate Secretary shall be authorized to sign checks on accounts of the State Association for all budgeted expenses, and any unbudgeted expenses up to \$10,000. Unbudgeted expenses over \$10,000 shall require approval from CEO and final approval from the Leadership Team. Transfer of funds between authorized accounts of the Association shall require only the CEO.

Additionally, the CEO/Corporate Secretary shall have the power to enter into any contract authorized by the existing budget at the time of the contract or authorized by the Executive Committee or the Board of Directors. All contracts entered into by the State Association in excess of \$10,000 shall be reviewed and approved as to form and content by Legal Counsel prior to execution.

# Leadership

## Policy 500 — Board Allocation Determination

Director representation of Member Boards to be determined on July 31 annually based on membership on record at State. If a Member Board should have more Directors than entitlements, the Board must decide which Director(s) must resign to meet the reduced entitlement allocation.

## Policy 501 — Credentials/Elections Certification

State Association Staff shall certify to the Board of Directors that to the best of their knowledge, any candidate for office set forth in the Bylaws or this Policy Statement has satisfied all requirements for such office prior to any election or appointment process. Staff shall review the credentials of each candidate and shall use reasonable efforts to verify any representation such candidate makes on his or her behalf. Staff may request additional information from or interview with such candidates at such times as the CEO deems necessary.

At the Annual Membership Meeting or any Board of Directors meeting of the State Association at which voting procedures are necessary, in the event of any dispute regarding the credentials of its voting members, Staff shall review those credentials. Staff shall have the authority to disqualify any individual whose credentials, in their opinion, are not in order. Appeal by said individual from the Staff's decision regarding the credentials dispute may then be made to the voting members of the Annual Meeting or Board of Directors. The decision of the voting members of the Annual Meeting or Board of Directors shall be final and binding.

## Policy 502 — Applications and Agreements to Serve for State Director and Officer Positions

**Section 1. Member Board Director.** An Agreement to Serve as Member Board Director form must be completely filled out by all nominees for Member Board/ Director of the State Association. This form must be signed by the nominee and the Member Board President and submitted to State Association Headquarters a minimum of ten (10) calendar days prior to the next scheduled State Association Board of Directors meeting.

### **Section 2. Elected State Officers.**

- (a) A resume for Nominees to Elected State Association Positions must be completed by any REALTOR® seeking the State Association office of President-Elect or Treasurer.
- (b) A State Officer Agreement to Serve form must be filled out by any REALTOR® seeking the State Association office of President, President-Elect, or Treasurer.
- (c) All completed forms must be submitted to Staff a minimum of thirty (30) calendar days prior to the next scheduled election of State Officers by the State Association Board of Directors.

**Section 3. Process and Procedures.** All forms, including resumes, nominations, and Agreements to Serve must be submitted with appropriate signatures. The forms must be typed or completed using the prescribed form. A letter from Staff confirming receipt of all required documents will be sent within two (2) working days of their receipt.

## Policy 503 — Campaign Announcements, Presentations and Distribution of Campaign Materials

The State Association may compile and distribute a list of candidates for each office, including a brief biographical summary. The State Association will make an announcement to the entire membership stating a candidate has been credentialed within one (1) business day of the candidate application being credentialed. The State Association will not distribute promotional materials for any candidate.

A candidate table(s) will be provided in a common area at all Missouri REALTORS® sponsored conferences and events. This is the only location where campaign materials (which are intended to be distributed or handed out) are permitted onsite. Candidate signage displayed onsite shall not interfere with Missouri REALTORS® signage or restrict access to any educational session, committee, or business meeting.

Candidates are prohibited from distributing campaign materials, and from making campaign presentations or announcements of any kind, to the membership in attendance during any Missouri REALTORS® educational session, committee, or business meeting.

Staff are, with Leadership Team approval, authorized to promulgate a Candidate Reference Guide to set forth in summary fashion the various requirements, procedures and duties set forth in these Bylaws and Statement of Policy attendant to running for (or serving) an elected position within the NAR or State Association. The Candidate Reference Guide may include additional procedures, protocol and guidelines, all consistent and not in conflict herewith, that are designed to facilitate a fair and impartial campaign and election process for all involved with respect to matters such as posting to The Landing, sending emails to members, signage display, hosting a hospitality suite or activity, visiting Member Boards and addressing membership at State Association events, including but not limited to the Candidate Forum event.

## Policy 504 — Policy on Concurrent Officer Positions

State Association Officers may not concurrently serve as an officer of another state or local board/association of REALTORS®, the National Association of REALTORS®, any REALTOR®- owned multiple listing service or entity, or another board deemed too similar to the State Association by the Executive Committee.

Additionally, State Association Officers may not concurrently serve as a staff member for these types of organizations, whether serving as an employee, independent contractor, or volunteer, who, by virtue of their position, would be considered an officer or a member of that organization's executive committee, regardless of any voting privileges.

This Policy does not preclude State Association Officers from serving as a director on the boards of these kinds of organizations.

## Policy 505 — Voting

**Section 1.** In an election for State Association officer position where there is more than one (1) candidate for any one (1) position, that position will be declared filled by majority vote of all ballots cast. In the event there are two (2) or more candidates for a State Association officer position, and no candidate receives a majority vote of all ballots cast, the candidate receiving the fewest votes on the first ballot will automatically be dropped from the ballot and on subsequent ballots until there are two (2) candidates remaining. On the matters of election of officers, the President shall announce the candidate with the highest number of votes. The actual vote count shall be available to all candidates.

**Section 2.** In the instance of any election of more than one (1) position and when more than one (1) candidate, the positions will be declared filled in the order of those candidates receiving the most votes (a plurality).

## Policy 506 — Duties of the Officers

**Section 1. President.** The President serves as chief elected officer, representing the entire membership and the best interests of the organization and exercises personal leadership in the motivation of other Officers, Directors, State Association committee members, Staff, and members. The President influences the establishment of goals and objectives for the organization during the term of office, acts as spokesperson, and takes an important part in monitoring and evaluating organizational performance and effectiveness, working in partnership with CEO, as necessary.

**Section 2. President-Elect.** The President-Elect shall have such duties and responsibilities as are assigned by the President. This shall normally include fulfilling the functions of the President in their absence, managing certain committees of the State Association as determined by the President and approved organization structure, and developing detailed familiarity with the administration of the State Association. The President-Elect shall be primarily responsible for preparing to assume the office of President.

**Section 3. Treasurer.** The Treasurer shall be responsible for such committees and perform such duties and responsibilities as designated by the President. The Treasurer shall serve as Chair of the Finance and Budget Committee and provide a year-to-date report of the financial conditions of the State Association to the Board of Directors and at such other times as requested by the Executive Committee or Board of Directors. The Treasurer shall serve on such other committees of the State Association as may be required by virtue of office or by the policies of those committees.

**Section 4. Treasurer-Elect.** The Treasurer-Elect shall assist the Treasurer and be responsible for such committees and perform such duties as designated by the President. The Treasurer-Elect shall serve as the Vice-Chair of the Finance and Budget Committee and on such other committees of the State Association as may be required by virtue of office or by the policies of those committees. The Treasurer-Elect shall be primarily responsible for preparing to assume the office of Treasurer.

**Section 5. Immediate Past President.** The Immediate Past President shall perform such duties as designated by the President and shall serve on such committees of the State Association as may be required by virtue of office or by the policies of those committees.

## Policy 507 — Eligibility for President, President-Elect, and Treasurer

**Section 1.** REALTORS® and REALTOR®-Associates shall meet the following requirements in order to be eligible to apply for consideration as a candidate to be elected as President, President-Elect, and Treasurer.

- (a) Shall have been a member of the State Association for five (5) consecutive years immediately prior to seeking office.
- (b) Shall have served the State Association for at least four (4) of the past seven (7) years immediately prior to serving in the office in any of the following capacities: Committee Chair or Vice Chair, Output Group Chair or Vice Chair, Council Chair or Vice Chair, Section Chair or Vice Chair, Leadership Academy graduate, State Association Director, National Association of REALTORS® Director, Executive Committee member, or committee member having met the attendance requirements of the scheduled meetings of the group(s) during such four (4) years of service.

## Policy 508 — Employment Contract of the CEO

The Leadership Team shall have the authority, in accordance with the contract, to approve, revise, renew, or terminate all employment contracts of the CEO.

## Policy 509 — Replacement of the CEO

In the event it is necessary to replace the CEO of the State Association because of their resignation, termination, or other reason which creates a vacancy in the office of the CEO, the President of the State Association shall appoint a Selection Committee comprised of the President, the Immediate Past President, the President-Elect, and two additional members of the State Association.

The Selection Committee shall solicit qualified applicants, review the credentials of the applicants, and interview the applicant or applicants who appear best qualified for the position. On the basis of this selection process, the Selection Committee shall nominate the person who appears best suited for the position. The Selection Committee shall submit the credentials of the person nominated to the Executive Committee for their approval, if necessary, to be ratified at the next scheduled meeting of the committee.

## Policy 510 — Position of CEO is Vacant

In the event the CEO becomes incapable of performing the duties of the office due to death, disability, or mental or physical incapacity, or the position otherwise becomes vacant, the department Vice Presidents of the State Association shall collectively assume the role as Interim CEO until such time as a permanent replacement has been appointed and/or hired per the procedures outlined in this Policy Statement. The Interim CEO shall have the full authority and powers granted to the CEO as set forth in the State Association's Bylaws and Policy Statement.

Any actions exercised under this grant of authority shall be indemnified by the State Association as set out in Article IV Section 7 of the State Association's Bylaws and Policy Statement. Under no circumstances does this authority allow the Interim CEO to enter into contracts that exceed

\$10,000.00 or commit the State Association to a contract the completion of which extends beyond one year without the prior written approval of the Leadership Team. This authorization and authority shall automatically expire upon the appointment and installation of a new CEO or upon the written notice of the Leadership Team, whichever occurs first.

## Policy 511 — National Director

**Section 1. Eligibility.** The National Association of REALTORS® (“NAR”) establishes the qualifications for all of its board of director members (a “National Director”). No state or local association may require additional (or less) qualifications. All candidates for National Director must complete a form (from NAR if/when mandated) which shall set forth the candidate’s qualifications, and self-certify that they meet NAR’s qualifications for serving as a National Director, are aware of and willing to perform to the NAR established performance expectations, and agree to sign an Agreement to Serve as National Director form (from NAR if/when mandated).

The State Association is allocated a certain number of National Director positions each year, based on State Association membership totals as of July 31st (“State Allocated” positions). Additionally, the State Association is also entitled to one (1) “Small Board” and one (1) “Medium Board” National Director position. Sections 2, 3 and 4 of this policy apply in those situations where an election is required of the State Association Board of Directors to fill a State Allocated, Small Board or Medium Board National Director position (collectively, a “State Association Elected National Director”).

Separate from this policy and the State Association Elected National Directors, NAR makes various national director positions available on an “ex-officio” basis (e.g., DSA Recipients, Past NAR President, RVP). Certain national director positions are also separately allocated to (and chosen by) their respective “Large Board” and “Large Firm” representatives.

**Section 2. Candidates.** When one or more opening exists for a State Association Elected National Director, candidates shall be solicited and accepted from all applicable Member Boards. All forms required by Section 1 of this policy must be received by the State Association not less than thirty (30) days prior to the last regularly scheduled Board of Directors meeting of the calendar year. Staff will promptly review all completed forms and shall confirm only those candidates who meet the qualification requirements set forth in Section 1 above for consideration by the Board of Directors. Nominations will not be received from the floor.

**Section 3. Election.** During the last regularly scheduled Board of Directors meeting of the calendar year, the State Association Board of Directors will elect State Association Elected National Directors for the next ensuing National Director term. The number of National Directors elected will be sufficient to fill the expected vacancies based on NAR allocations existing as of the date of the election (“Expected National Director Vacancies”). The election shall be by written or electronic ballot and State Association Directors shall be allowed to vote for any number of nominees on the ballot up to the number of Expected National Director Vacancies. Except as set forth in the following two paragraphs, the candidate(s) who receive the most votes will be designated as the National Director(s) to fill the Expected National Director Vacancy(ies). The actual vote count shall be available after the Board of Directors meeting to all candidates.

To accommodate the two (2) (“Small Board” and “Medium Board”) mandatory National Director positions, it is the intent of this Policy to continue with the goal of designating the persons receiving

the most votes as the State Association's Elected National Directors to the full extent possible, but modified as necessary to comply with NAR requirements regarding the Small and Medium Board mandatory positions as aforesaid. Accordingly, for those years in which there will be a new term opening in a "Small" or "Medium" Board National Director position, in determining who shall serve, Staff will work down the elections result list (by highest vote count), based on the candidate's primary board membership, until all seats are filled (all as further exemplified below).

If the person receiving the most votes is primary to a "Large Board," they will fill the first generally available State Allocated National Director position. If they are primary to a "Small" or "Medium" Member Board, they will fill that mandatory position. If the person receiving the next most votes is primary to a "Large Board," then unless and until all generally available State Allocated National Director positions have been filled, they will fill that seat. If all generally available State Allocated National Director positions have already been filled, then they will be passed over in favor of the candidate from a "Small" or "Medium" Member Board (as the case may be) who received the next highest number of votes. Once both the "Small" and "Medium" Member Board mandatory positions are filled, any remaining generally available State Allocated National Director position will be filled according to the highest vote count list without regard to the candidate's primary board membership size until all open seats are filled.

#### **Section 4. Additions/Reductions in National Director Allocations.**

- (a) If, after the election described in Section 3, NAR increases the number of the State Association's State Allocated National Directors, the State Association shall designate the highest vote recipient from the pool of candidates who were not elected in the original election for National Director to fill the additional State Allocated National Director position. If there are multiple additional State Allocated positions, this process will be repeated until they are filled. If the number of candidates in the above referenced pool is not sufficient to fill the additional State Allocated National Director positions, then those positions shall be filled by virtue of an appointment to be made by the State Association's Leadership Team as it deems fit.
- (b) If, after the election described in Section 3, NAR decreases the State Association's State Allocated National Directors to a number less than the Expected National Director Vacancies for the following calendar year ("National Director Reductions"), the National Director elected most recently pursuant to Section 3 who received the least number of votes will lose their designation as National Director. If there are multiple National Director Reductions, this process will be repeated until the number of State Allocated National Directors is equal to NAR's allocation.

**Section 5. Vacancies.** Any vacancy that may arise in the position of a State Association Elected National Director for any reason (e.g., by resignation or otherwise and specifically including any vacancy created due to applicable NAR requirements, such as a change in size of a "Small" or "Medium" Member Board) shall be filled by virtue of an appointment to be made by the State Association's Leadership Team as it deems fit for the balance of the remaining National Director term, provided however, that any such nominee shall meet all applicable NAR criteria, sign all forms and agree to all terms as set forth in Section 1.



**Section 6. Term.** The term of office for all State Association Elected National Directors is three (3) years.

## Policy 512 — Meeting Attendance by National Directors

**Section 1.** In addition to the eligibility requirements set forth in this Policy Statement, every State Association National Director must satisfy all performance expectations attendant to serving as a National Director as may be required by NAR from time to time (e.g., service and meeting attendance requirements). Any State Association Elected National Director vacancy that may arise as a result of a failure to comply with any NAR performance expectation requirement shall be filled in accordance with the provisions of Policy 470.

**Section 2.** All State Association National Directors are expected to monitor other committees as requested by the State Association.

**Section 3.** All State Association National Directors shall be required to attend all Missouri caucus meetings at NAR Meetings, together with any NAR Director Meeting called during any State Association meeting, unless an Excused Absence Report is approved of by the State Association Leadership Team pursuant to the procedures set forth at § 7 of Article VI.

**Section 4.** All State Association National Directors shall be reimbursed for attending and voting at duly called NAR meetings upon receipt of a completed State Association National Committee Report form and itemized request for reimbursement with supporting receipts. Travel-related costs will not be reimbursed for those attending virtually. Said amount of reimbursement shall be subject to a maximum trip limit (approved annually by the State Association Board of Directors) and otherwise as set forth in Policy 444.

## Policy 513 — NAR Regional Vice President and Nominating Committee Member

**Section 1. Eligibility.** The State Association nominee for the office of Regional Vice President (“RVP”) and National Association of REALTORS® Nominating Committee Member shall be selected when it is Missouri’s turn in the rotation within the NAR region of which it is a part. In order to be eligible for consideration as a RVP, a nominee must meet all applicable requirements imposed by NAR as set forth in its bylaws and policies, and as the same may hereafter be revoked, supplemented, or otherwise changed from time to time (“NAR Bylaws and Policies”). Note that state associations and regions are prohibited from establishing any other criteria for RVP eligibility per NAR.

**Section 2. Applications.** All applications shall be on the “NAR Application for Elected Office for Regional Vice President” form (the title of which may change from time to time) and must be received by the State Association not less than thirty (30) days prior to the first Board of Directors meeting of the calendar year. Staff will promptly review all completed applications and shall submit only those candidates who meet the qualification requirements set forth in Section 1 above for consideration by the Board of Directors. Nominations will not be received from the floor.

**Section 3. Election.** During the third Board of Directors meeting of the calendar year, the State Association Directors will elect the State Association nominee for the office of RVP for the next ensuing RVP term. An election to fill a vacancy in the office of RVP for any reason (by resignation or otherwise) shall be filled by virtue of an appointment to be made by the State Association’s

Leadership Team as it deems fit for the balance of the RVP term, provided however, that any such nominee shall meet all applicable NAR criteria, sign all forms and agree to all terms as set forth in this Policy. The election shall be by written ballot or other electronic means designated by the State Association Leadership Team as set forth in Policy 106, and State Association Directors shall be allowed to vote for one nominee. The nominee who receives the most votes will be designated as the State Association nominee for the office of RVP. The actual vote count shall be available after the Board of Directors meeting to all candidates. The designated State Association nominee will then follow the approved procedures from NAR to officially apply for and be elected to the position of RVP. Any vacancy in the office of RVP for any reason (by resignation or otherwise) shall be filled by virtue of an appointment to be made by the State Association's Leadership Team as it deems fit for the balance of the RVP term, provided however, that any such nominee shall meet all applicable NAR criteria, sign all forms and agree to all terms as set forth in this.

**Section 4. General.** All processes and procedures for the application and election of the State Association nominee for the office of RVP shall be subject to all applicable NAR Bylaws and Policies and Region 9 Policies.

# Meetings and Events

## Policy 600 — Virtual Meetings

**Section 1. Committees, Forums, Task Forces, Other.** Except for the Annual Meeting and meetings of the State Association Board of Directors, which are covered by Section 2 below, or as otherwise specifically set forth in the State Association's Bylaws, this Policy Statement, or as prohibited by law, the Chair of any committee, task force or any other such group of State Association members as may exist from time to time pursuant hereto may, at the discretion of such Chair, allow any or all members of such group to participate in a meeting of such group by means of a telephone or video conference or by any means of communication by which all persons participating in the meeting are able to communicate with one another, and such participation shall constitute presence at the meeting.

**Section 2. Annual Meeting and Board of Directors Meetings.** Except as otherwise specifically set forth in the State Association's Bylaws, this Policy Statement, or as prohibited by law, the Executive Committee may, at least fifteen (15) days in advance of the meeting, determine and direct that, due to extenuating circumstances as may exist from time to time, the Annual Meeting or any special or regularly scheduled meeting of the State Association Board of Directors shall be conducted virtually, in whole or in part, by any mean(s) of electronic communication, through the use of full featured Internet or a combination of Internet/telephone/text meeting services that integrate audio, video and voting capabilities, as designated by the Leadership Team, which support identifying all persons participating in the meeting, identifying all those seeking recognition to speak, showing (or permitting the retrieval of) the text of pending motions, support anonymous voting and showing the results of votes. Such participation shall constitute presence at the meeting. A vote conducted through the designated meeting service shall be deemed a ballot vote, fulfilling any requirement in these Bylaws or Policies requiring that a vote be conducted by ballot.

## Policy 601 — Recording State Association Sessions and Meetings

The State Association reserves all rights to sessions and meetings sponsored by the State Association, whether in-person or through electronic/virtual means. The preparation of any recordings (audio, visual or otherwise) for subsequent use without prior consent of the State Association is expressly prohibited.

## Policy 602 — Appropriate Event Conduct

The State Association is committed to providing a positive and rewarding experience for everyone associated with a State Association event.

For the purposes of this Policy, events shall include, but are not limited to, all State Association activities, meetings, conferences, classes, trainings, retreats, and networking events, whether held in public or private facilities (including those sponsored by organizations other than the State

Association and held in conjunction with State Association activities, meetings, or events), whether conducted in person or on any virtual platform.

All attendees agree to abide by this Statement of Appropriate Event Conduct by virtue of their attendance at any State Association event.

All attendees, including without limitation, members, guests, speakers, exhibitors, vendors, and volunteers are expected to conduct themselves professionally, to use good judgment, and be respectful at all times while present at an Association event.

The State Association does not tolerate any inappropriate behavior, including harassment or discrimination in any form. Examples of inappropriate behavior include, but are not limited to, harassment, whether written, verbal, physical or otherwise, including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same, or any other conduct, statements, or images that denigrates or shows hostility toward an individual or group based on a protected characteristic.

The State Association reserves the right to take any necessary and appropriate action against any attendee who violates this Policy on Appropriate Event Conduct, including, but not limited to, immediate removal from the event, prohibition from attendance at future State Association events, or removal from a volunteer leadership role, whether elected or appointed. Should such conduct result in an investigation or further disciplinary action, it will be done in accordance with the established procedures of the State Association. Disciplinary action may consist of any sanction authorized in the National Association of REALTORS® Code of Ethics and Arbitration Manual.

Any attendee who believes they are in immediate danger should report the incident directly to venue security or the police via 911.

# Professional Development

## Policy 700 — Graduate REALTOR® Institute

The Missouri Graduate REALTOR® Institute shall follow the guidelines recommended by the National Association of REALTORS® provided, however, nothing in this Policy shall require the State Association to offer Graduate REALTOR® Institute classes in person.

### Section 1. Requirements.

- (a) **Qualifications:** A non-member of the State Association shall be permitted to enroll for all courses of the Institute but shall not be permitted to use the GRI designation until becoming a member of the State Association. In the event of a lapse in membership, a designee shall not be entitled to the use or privileges of the GRI designation until such time as membership is reinstated.
- (b) **Completion of Accredited Course Work:** A minimum of sixty-six (66) hours of accredited Graduate REALTOR® Institute course credit shall be successfully completed, including all those courses that shall cover objectives required by the National Association of REALTORS®. GRI students will have three (3) years to complete GRI designation coursework.
- (c) **Sequence of Courses:** There shall be no requirement that courses are completed in a defined order; except that the GRI student has completed majority of the courses before attending the GRI Capstone course.
- (d) **Transfer of Credit:** A member who has received the GRI designation from another Graduate REALTOR® Institute accredited state, shall, upon application, be awarded full standing and credit as a Missouri Graduate REALTOR® Institute graduate. At the discretion of the Director of Education, a member who has begun the Graduate REALTOR® Institute program in another state may transfer such course credit, provided that such course credit is applicable to the Missouri Graduate REALTOR® Institute program. Full documentation of submissions shall be required.

### Section 2. Operating Procedures.

- (a) **Implementation:** Routine operating procedures for the implementation of Graduate REALTOR® Institute courses shall be performed by Staff.
- (b) **Continuing Education Credit:** When a Graduate REALTOR® Institute course is approved for Continuing Education credit, all students completing the course shall be awarded Continuing Education Certificates, provided they have met the attendance requirements of the Missouri Real Estate Commission.
- (c) **Faculty:** The selection and retention of instructors for the Graduate REALTOR® Institute shall be managed by the Director of Education.

- (d) Awarding of the GRI Designation: Upon successful completion of all course work for the GRI designation, the student shall receive a certificate of completion and a GRI pin. Successful completion shall include successful completion of all courses within a three-year period, payment of all fees, and current paid membership in the State Association. Current employment as a paid staff member of a local Board/Association of REALTORS® may be substituted for the requirement that a GRI designee have current paid membership in the State Association.

# Recognition and Awards

## Policy 800 — Award Committees

**Section 1. Generally.** In addition to any other committees set forth in the Bylaws, this Policy Statement and as provided below, the State Association shall have Award Committees. The Award Committees shall be responsible for reviewing applications and selecting candidates for various recognitions and awards as may be created by the State Association from time to time, and as included below. The Award Committees and their respective purposes are more fully set forth in below. The Award Committees shall be subordinate to and under the direction of the Board of Directors.

**Section 2. Structure.** Unless otherwise specifically set forth in the State Association's Bylaws or this Policy Statement, each Award Committee shall consist of all past recipients of its respective awards who are still in good standing with the State Association. The Award Committee Chair shall be the award recipient for the year that is two (2) years, immediately preceding the then current award year (e.g., the 2024 Committee Chair shall be the 2022 award recipient). If for any reason this person is unwilling or unable to serve, the Committee Chair position shall be passed to the award recipient for the year immediately preceding the Committee Chair's award year and so on until one person is willing and able to serve.

**Section 3. Term.** Except as otherwise specifically set forth in the State Association's Bylaws or this Policy Statement, Award Committee membership shall be lifetime so long as the recipient remains in good standing with the State Association.

### **Section 4. Nominations.**

- (a) **By Member Boards/Associations.** Except as provided below, nominations for awards shall be submitted to each Award Committee only by Member Boards of the State Association. Each Member Board shall be entitled to one (1) new nominee per year. Each nominee must be a primary member of the nominating Member Board. In addition to submitting a new nomination, Member Boards may update the credentials of one or more previous nominees by completing an annual update form for a previous year's nominee. A previous year's nominee may only be updated four (4) times but nothing shall prevent a Member Board from submitting a previous nominee as their new nominee. If an annual update form is not submitted, a previous year's nominee shall no longer be a nominee for the award. Nomination and annual update forms shall be provided by the State Association and pre-approved by the Award Committee. All nomination and annual update forms must be delivered to the State Association no later than May 1 of each year. The State Association shall send a notice of the May 1 due date by electronic mail to the Association Executive and President of each Member Board no later than March 15 of each year. Information and applications for State Association Awards will be made available on the State Association's website prior to any application deadlines.
- (b) **By Award Committee Members.** In addition to Member Board nominations, any committee member may nominate one or more candidates for an award. Nominations by an Award Committee member shall be accompanied by a completed nomination form and require that copies of the nominee's credentials be made available to each Award Committee member at least fourteen (14) days in advance of the Award Committee's annual meeting.

## **Section 5. Committee Procedures.**

- (a) Annual Meeting. Each Award Committee shall hold its annual meeting at least thirty (30) days before the State Association's Annual Meeting. Award Committee members may attend the annual meeting and any subsequent meeting in person or by electronic means. To conduct business, a quorum must be in attendance. A quorum shall be at least one-third (1/3) of all the Award Committee members. All Award Committee members in attendance are expected to have reviewed the nomination and annual update forms of all nominees prior to the annual meeting.
- (b) Initial Voting. After Award Committee members have been allowed the opportunity to nominate additional candidates as provided in Section 4(b) above, but before discussion of any nominees, each Award Committee member that is present will vote for one (1) nominee by secret written ballot. If Award Committee members are in attendance via electronic means, their ballots shall be cast by online voting and tallied with the written ballot. The Award Committee Chair and a State Association staff will immediately count the ballots in private and announce only the top three (3) vote recipients, including ties ("Finalists").
- (c) Finalist Voting. The Award Committee will then have open discussion regarding the qualifications of each Finalist. After the discussion has been completed, each Award Committee member that is present will vote for one of the Finalists. The Finalist vote will be by roll call. The Finalist who receives a majority of votes cast shall be the award recipient. If no Finalist receives a majority of votes cast, then the two (2) Finalists receiving the most votes (including ties) will be the subject of a run-off vote by the same process. If the run-off vote results in a tie, there will be additional discussion among Award Committee members and then a second run-off vote will be taken by the same process. If, at any time after the second run-off vote, the Award Committee decides by majority vote that no nominee can be elected at the annual meeting, the annual meeting will be adjourned and a subsequent meeting will be scheduled prior to the State Association's Annual Meeting with the only order of business being discussion about the two (2) remaining Finalists and conducting one or more run-off votes by the same process.
- (d) No Award. The Award Committee may, at any time during the above process, choose not to award an award. Such decision shall be by a supermajority vote of at least 66% of the Award Committee members in attendance.
- (e) Administrative Processing. It is the intent that the processing and administration of all nomination and annual update forms, the delivery of all notices and credentials, and the conduct of all other business and matters required of the Award Committee pursuant to this Policy may and shall be conducted electronically; provided, however, that any Award Committee member may require, upon written request, to be provided with "hard copies" of any such materials or documentation.



## Policy 801 — REALTOR®-of-the-Year Committee

**Section 1. Purpose.** To select the State Association REALTOR®-of-the-Year (ROTY).

### **Section 2. Additional Nomination Criteria and Requirements.**

- (a) No nominee for this award can also be a nominee for REALTOR®- Salesperson of the Year. Each nominee must be a primary member of the nominating Member Board, and hold either a broker-officer, broker-manager, broker-associate, or broker-partner license (i.e., a nominee who holds a broker- salesperson license would not qualify).
- (b) NAR Representation. The REALTOR® of the Year honoree shall, if possible, represent the State Association at REALTOR® of the Year events at the National Association of REALTORS® Convention. Reimbursable expenses for attendance at the NAR Convention are subject to Policy 409.

## Policy 802 — REALTOR® Salesperson-of-the-Year Committee

**Section 1. Purpose.** To select the State Association REALTOR® Salesperson-of-the-Year (“RSOTY”).

### **Section 2. Additional Nomination Criteria and Requirements.**

- (a) Each such nominee must hold either a broker- salesperson or salesperson license.

## Policy 803 — Richard Mendenhall Award Committee

**Section 1. Purpose.** Richard A. Mendenhall served as President of both the State Association and the National Association of REALTORS®, and has provided leadership at local, state, and national levels throughout his career. The Richard A. Mendenhall Award is intended to recognize a Missouri REALTOR® for their career-long contributions, leadership skills, commitment to service, and dedication.

## Policy 804 — R. Layne Morrill Award Committee

**Section 1. Purpose.** R. Layne Morrill served as President of both the State and National Association of REALTORS®, and was engaged in political activities at local, state, and national levels throughout his career. The R. Layne Morrill Award is intended to recognize a Missouri REALTOR® who, through career-long political involvement, has significantly advanced the legislative agenda of REALTORS® in Missouri.

## Policy 805 — Bruce Aydt Code of Ethics Leadership Award Committee

**Section 1. Purpose.** Bruce Aydt served as President of both the State and National Association of REALTORS®, as well as a Distinguished Service Award recipient, and has been a role model as a REALTOR® leader at the local, state, and national levels throughout his career. The Bruce Aydt Code of Ethics Leadership Award is intended to recognize a REALTOR® who throughout their career has been a role model in professionalism and made significant contributions by engaging in activities such as serving on professional standards committees, or exemplifying the key principles including honesty, integrity, competence and fair dealing as outlined in the Preamble to the Code of Ethics.

## Policy 806 — Elizabeth J. Mendenhall E3 Award Committee

**Section 1. Purpose.** Elizabeth J. Mendenhall served as Past President of both the State and National Association of REALTORS® and has inspired others with her career long involvement at the local, state, and national levels throughout her career. She is defined by Energy, Empowerment and Experience (E3). The Elizabeth J. Mendenhall E3 Award is intended to recognize a REALTOR® who showcases innovation, dedication, and forward thinking in every aspect of their career.

## Policy 807 — Brady Stevens Award Committee

**Section 1. Purpose.** Brady Stevens, served as Past President of the State Association, and led the statewide effort to develop and promote professional real estate education. The Brady Stevens Award is intended to recognize a REALTOR® who promotes professionalism in real estate practice, actively participates in REALTOR® association affairs, and devotes themselves to ongoing professional development by learning, particularly through the Graduate REALTOR® Institute.