



TUCSON ASSOCIATION OF REALTORS[®]

POLICY STATEMENTS

Revised by the Board of Directors: December 15, 2011
Reaffirmed by the Board of Directors: January 26, 2012

Tucson Association of REALTORS®, Inc.

POLICY STATEMENTS

Revised: December 15, 2011
Approved: January 26th, 2012
Effective Date: January 26th, 2012

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Vision Statement

“The Best Prepared with the Highest Standards”

Mission Statement

The Tucson Association of REALTORS® will defend private property rights, promote a positive regulatory climate and elevate the professionalism and public perception for our members.

Revised 02/02/11

Operational Philosophy

The Tucson Association of REALTORS® is a volunteer driven organization. As such, it relies on the volunteers to assist with the preparation of programs, functions or projects. Volunteer assistance with labor intensive projects enables the organization to keep overhead as low as possible and still provide quality service.

The Tucson Association of REALTORS® is based on a leadership model. The Board of Directors has empowered the Executive Committee, committees and staff by delegating to them specific roles that will enable the Board of Directors to achieve their visionary, strategic objectives as defined by the five-year strategic plan.

According to the NATIONAL ASSOCIATION OF REALTORS® “(a) leadership association initiates policy formation and advocacy on all levels and seeks and implements innovative and creative programs, products and services that ultimately provide enhanced value for all REALTOR® association constituencies. Volunteer leaders determine future direction and set parameters within which staff is empowered to manage the organization; internal structure is created and managed by staff”.

The components of a leadership model are:

- A. Elected leadership that determines a long term (2–3 year) strategic vision and a short term (1 year) business plan to help achieve that vision *Revised 02/03/11*
- B. Committees that are fluid, determine policy within defined parameters and develop policy and action plans for achieving specific objectives
- C. Professional staff that possesses expertise and provides leadership in legal, regulatory and business issues impacting the association and transparently manages association business

The term "committee" as used in these Policy Statements shall be deemed to include the terms "work group," "sub-committee," "advisory group," "Presidential Advisory Group" and "Task Force." The term "Association" shall be deemed to mean the TUCSON ASSOCIATION of REALTORS®.

It's Our Organization!

Policy #1: Policy Purpose & Formulation

Policy statements are to be used for developing guidelines and standards for internal Association operations. Policy statements are on-going and are reaffirmed by the Board of Directors each year. Any new policies must be approved by the Board of Directors sitting at the time of the recommendation of the new policy. Policy recommendations may be made by staff, committee chairs, the Board of Directors, the Executive Committee, or any member of the Association. Recommended policy changes must be presented, in writing, to the Chief Executive Officer prior to presentation to the Board of Directors for approval.

Policy #2: Requests for Information

Requests for information from the general public, written or verbal, shall be referred to the President or Chief Executive Officer. The President, or President's designee pertinent to a specific occasion, and the Chief Executive Officer, or the Chief Executive Officer's designee pertinent to a specific occasion, shall be the only authorized spokesperson(s) for the Association except as stated in Policy #3. No other individuals shall speak for the Association on matters affecting the Association or its membership without prior written approval of the President. *Revised 01/07/05*

Policy #3: Public Policy Statements Made By Association Committees

Only the Government Affairs Committee Chair (or their designee) and the Director, Government Affairs shall be empowered to make public policy statements without prior approval of the President or Chief Executive Officer. It shall be their responsibility and obligation to notify the President and the Chief Executive Officer, as soon as practical, of any public policy statements to be made. *Revised 02/26/09*

Policy #4: Anti-Trust Compliance

The Tucson Association of REALTORS® has not and will not establish or maintain fixed or recommended compensation rates. Compensation is a matter of negotiation between the parties (the principal and the broker) and the Association will not interfere in those negotiations or inhibit in any way the freedom of the parties to negotiate by imposing bylaw provisions, recommended schedules or sanctions on members.

Policy #5: Confidentiality

Some matters discussed by the Executive Committee, Budget & Finance Committee, Board of Directors and Committees are problematic and of a sensitive nature and shall be kept confidential. Such matters are to be worked out and resolved within the confines of the entity where the matter arose. If the issues cannot be resolved within those confines, the matter should be taken through the following chain of command for resolution: first to the Committee Chair then to the Chief Executive Officer and then to the Association President. If it cannot be resolved by working through this chain of command, then and only then should the matter be taken to the Board of Directors and/or membership.

Policy #6: Smoking Policy

In accordance with Arizona law, smoking is strictly prohibited at all Association events and in all Association facilities and within 20 feet of entrances to said events or facilities.

Policy #7: Products and Services Endorsements/Group Discounts

All requests to the Tucson Association of REALTORS® from individuals or organizations for endorsements of products or services or to provide group discounts to Association membership shall be referred to the appropriate committee(s) for approval subject to input and approval by the Chief Executive Officer.

- A. Requests/offers shall be made in writing.
- B. Proposed product or service shall fit within the Association's current Vision and Mission Statements.
- C. Membership must receive a pricing structure that is a group discount due to their Association membership. If the pricing structure offered is readily available to the general public through other outlets, the Association shall decline the offer.
- D. Proposed products shall not be in competition with items sold through the Association REALTOR® store.
- E. Consideration should include any potential legal or ethical responsibilities and risks for the Association, its employees and members that may be incurred for promoting the product or service to membership.
- F. There shall not be a monetary commitment needed from the Association to promote product/service/group discount.
- G. The product/service shall be competitive in quality and cost with similar products/service in the industry.
- H. The product/service must meet the needs of the membership.
- I. Length of term for the offer must be stated in writing. Provisions for renegotiating the offer at the end of each term should be provided.
- J. The provider must state in writing their procedure for handling customer complaints.

Revised 02/03/11

Policy #8: Tucson REALTOR® Magazine Advertising

Affiliates and members may advertise in *Tucson REALTOR® Magazine*. Affiliates and members receive a benefit through their membership that entitles them a discount for contracting for multiple insertions. All non-members who wish to advertise will also be given an affiliate membership packet for their review.

Real estate firms and/or REALTORS® may not advertise for recruiting purposes. However, they may advertise for other purposes as long as the ad does not have a recruiting nature.

The Tucson Association of REALTORS® reserves the right to refuse advertisements for any reason. All advertisers shall indemnify the entire membership of the Tucson Association of REALTORS®, as well as the Association itself, from advertisements based on any claims to include, but not be limited to advertising that is: defamatory, libelous, obscene, an invasion of privacy or that has been obtained in violation of the proprietary right of any person.

The Association will not discriminate with respect to race, creed, color, national origin, age, handicap or sexual orientation in accepting advertising, and will not accept advertising of services or products, which in any way indicates such discrimination by advertisers. *Revised 02/26/2009*

Policy #9: Facility Rental and Advertising

Affiliates, members and non-members may rent the Association conference facilities. All events being held in the Association facilities will be listed on www.tucsonrealtors.org.

Classes and events that are sponsored by a Member or Affiliate of the Tucson Association of REALTORS® will be advertised in a special section of the weekly e-update, on a space available basis. There is no guarantee that this advertising space will be available, and placement is at the sole discretion of the Tucson Association of REALTORS® staff.

Policy #10: Donations & Fundraising

The Tucson Association of REALTORS® supports charitable efforts in the community and wishes to contribute where appropriate through the Tucson REALTORS® Charitable Foundation. The Association may through its committees support charitable endeavors when they contribute to housing the less fortunate or assist recipients with skills to create economic opportunity

Policy #11: Deleted 02/03/11

Policy #12: Committee Financial Operation

Association committees have budgeted Income and Expenses, which have been approved by the Board of Directors in the Annual Budget. It is the responsibility of the Committee Chair and the assigned staff liaison to operate within that approved budget. If additional funds are deemed necessary by the Committee Chair, that request shall be made in writing to the Chief Executive Officer for presentation to the Board of Directors for approval.

Policy #13: Dues Payable

Dues for all Members shall be payable annually in advance not later than December 31 of the previous year. Dues shall be computed from the day a new member is granted provisional membership and shall be prorated for the remainder of the year

Collection procedures are outline in ARTICLE X, Section 4 (Nonpayment of Financial Obligations) of the Association Bylaws.

- A. Dues not received within 10 calendar days of the due date will be subject to a \$25 late fee.

- B. Applicants reapplying for Membership within 90 days of Membership termination shall pay a \$75 application fee in addition to any outstanding monies owed by the Applicant. *Adopted 07/14/2011*

Publication of fees, dues and assessments shall be located on the TAR, TAR/MLS Price List. *Adopted 12/15/11*

Policy #14: Collection Policy

The Tucson Association of REALTORS® is a membership organization which provides services to its members. Because the organization has made commitments to outside vendors to provide those services to its' members, the fees charged to the members must be collected in a fair, consistent and timely fashion to ensure the ability of the organization to meet its' respective obligations.

Collection procedures are outlined in ARTICLE X, Section 4 (Nonpayment of Financial Obligations) of the Association Bylaws.

- A. Any returned checks are subject to a \$25 service charge. One attempt will be made to collect on a Non Sufficient Fund "NSF" check. Payments not received within 15 calendar days of notice to the member, will be turned over to the Pima County Attorney's program for bad check collection
- B. Payments not received within 10 calendar days of the due date will be subject to a \$25 late fee.

Policy #15: Operating and Reserve Account Funds

Sums placed in checking, savings, money market or Reserve Accounts shall be deposited as per this policy as stated below. All sums placed in designated Reserve Accounts shall be a continuing item placed on the balance sheet, shall be so identified, and shall be utilized only in the event of an emergency as determined by the Board of Directors by majority vote.

In the event the Board of Directors determines that Reserve Account Funds are necessary for Association operations, said funds shall be strictly utilized for and to the purpose so outlined under the auspices of the name of the account. In no event shall these funds be in any way encumbered or utilized in any other fashion. The Chief Executive Officer shall be responsible for and have authority to invest all Association funds, subject to Board approval.

Policy #16: Reserves

At least fifty (50%) of net income at the end of the year, as determined by the Annual Audit, shall be placed in an operating reserve fund. In the event that the operating reserve fund reaches an amount equal to six (6) months of operating expenses, the Board of Directors shall begin to utilize any amount in excess of six (6) months of operating expenses toward the annual operating budget. *Revised 05/26/11*

Policy #17: Access to Legal Counsel

The President and Chief Executive Officer are the only individuals authorized to directly contact Association Legal Counsel. Should there be a necessity for individuals or committees to meet with legal counsel, prior arrangements must be made through the Chief Executive Officer or the President. Should an individual contact legal counsel without prior approval, the individual may be billed in the amount incurred from that contact.

Policy #18: Contract/Encumbrances

The President or the Chief Executive Officer, subject to the approval of the Board of Directors, shall be the only individuals authorized to enter into contracts or agreements which incur financial or other liabilities to the Association. In specific situations senior staff members may be given the authority to sign checks and/or contracts in the absence of the Chief Executive Officer. In no instance may the individual entering into contracts or agreements be the same individual signing checks. When outside facilities are required for use by any committee, approval will be obtained from the President or the Chief Executive Officer. *Revised 02/03/11*

Policy #19: Bid Policy

The process of seeking and retaining providers of products/services will be as follows:

- A. The Chief Executive Officer and Staff will research providers based on their professional knowledge of necessary requirements.
- B. If product or service is over \$15,000, at least three bids will be presented as part of the recommendation providing there are three providers of satisfactory quality available for required product/service.
- C. Criteria for recommendation of provider will take the following items into consideration: quality of service and cost.
- D. The Chief Executive Officer will present recommendations through the following process:
 - 1. Committee responsible, if applicable
 - 2. Executive Committee
 - 3. Executive Committee recommendation will then go to the Board of Directors for approval as an item on the Consent Agenda.
- E. It will be determined by the Chief Executive Officer, on a periodic basis, the need/benefit of rebidding any product or service either proposed or existing. In no way (except in the case of a monopolized utility) shall a product or service enjoy an ongoing relationship with TAR or any subsidiary for more than three (3) years from date of latest contract without such a review.

These bidding requirements do not apply to contracts for venues for Association events, vendors providing services to the event or temporary staffing agencies. The Chief Executive Officer will use reasonable discretion when entering into these agreements. *Revised 02/03/11*

Policy #20: Deleted 02/03/11

Policy #21: Reimbursement of Travel Expenses

Documentation of expenses with receipts must be submitted within 30 days after the last day of respective meeting. *Adopted 02/26/09*

Policy #21(a): Tucson Night Out

The Tucson Association of REALTORS® will cover the expense of the meal on-site. The total meal check for Tucson Night Out shall be divided by the number of attendees and each attendee will be invoiced for their portion. The Association will cover meal expenses for Tucson Association of REALTOR® members attending AAR and NAR meetings on behalf of

the Association. Attendees are welcome to order alcohol directly from the restaurant. The Association will not pay for any alcohol. *Adopted 07/14/2011*

Policy #22: President/President-Elect Travel

Reasonable budgeted travel expenses and registration fees for the President and President-Elect shall be established in the annual budget for attendance at the following meetings unless funding is received from another funding source:

NAR Annual Convention
NAR Mid-Year Meeting & Legislative Conference
AAR Board of Directors Meetings
AAR Winter Conference
AAR Leadership Conference
Rocky Mountain Regional Meeting
Leadership Summit (President-Elect only)

Reasonable budgeted travel expenses and registration fees for the incoming President-Elect shall be established in the annual budget for attendance at the following meetings unless funding is received from another funding source:

NAR Annual Convention

Reimbursed items will include reasonable expenses for meeting registration, lodging, coach-air fare, ground transportation (personal vehicle, portal to portal, if over 50 miles roundtrip), food and other actual reasonable expenses. To be reimbursed the President/President-Elect must attend a minimum of the Delegate Meeting, Member/Director Forum, appropriate Board Sub-Forum, State & Board President Roundtables, AAR Caucus, and the Regional Caucus, when applicable. If the President or President-Elect serves as a member of a NAR Committee, attendance at said committee meetings shall supersede the requirement to attend the required meetings if a conflict in scheduling occurs, provided an alternate agrees to attend in the place of the President or President-elect.

All other travel and/or per diem expense requests for the President, President-Elect or delegate of the Tucson Association of REALTORS® may be approved by the Chief Executive Officer or at the Chief Executive Officer's recommendation of approval by the Board of Directors. Anyone accepting such funding shall be obligated to attend and represent the Association at those meetings and/or programs that are the subject of the request. *Revised 02/03/11*

Policy #23: NAR Director Travel

The Tucson Association of REALTORS® member serving on the National Association of REALTORS® as a National Director shall receive reimbursement for attendance at the following meetings, unless funding is received from another funding source: NAR Annual Convention, NAR Midyear Legislative Meeting and NAR Rocky Mountain Regional Meeting. To receive reimbursement the participant must provide a written report of the Directors Meeting within 30 days of the NAR Meeting. Reimbursed items will include meeting registration, lodging, coach-airfare, ground transportation (personal vehicle, portal to portal, if over 50 miles one-way), and food. *Revised 02/03/11*

Policy #24: NAR Committee Member Reimbursement

All Tucson Association of REALTORS® members serving on any National Association of REALTORS® committees shall receive up to \$1,500 for attendance at the NAR Midyear Legislative Meetings and/or the NAR Annual Convention unless funding is provided from another source. NAR Committee Chair/Vice Chair positions shall be reimbursed at the same level as an NAR Director as noted under Policy #23. Reimbursed items include reasonable expenses for meeting registration, lodging, coach airfare, ground transportation (personal vehicle, portal to portal, if over 50 miles round trip) and food. To receive reimbursement the participant must provide a written report of the committee meeting together with the submittals required under Policy #23 within 30 days of the NAR Meeting attended. *Revised 02/03/11*

Policy #25: AAR Director Reimbursement

Members serving as a member on the AAR Board of Directors on behalf of the Tucson Association of REALTORS® shall receive \$350 for each AAR Directors meeting attended outside of the Tucson metropolitan area. AAR Directors who receive funding from another source for the meeting shall not be entitled to the \$350. Tucson Association of REALTORS® NAR Directors serving as a member on the AAR Board of Directors shall also receive \$350 for each AAR Directors meeting attended outside the Tucson metropolitan area.

Revised 04/14/11

Policy #26: Committee Communications

Except as provided under Policy #3, under no circumstances shall a Committee Chair send any information related to the committee which is not coordinated with Chief Executive Officer or President. *Revised 02/03/11*

Committee communications to promote a function through a news or press release shall require the prior approval of the Chief Executive Officer or President and said release shall be written and released by the Chief Executive Officer or President. Under no circumstances are any committees allowed to disseminate any information to the public, i.e., print media, radio, TV, etc., in any other manner. *Revised 02/26/09*

Policy #27: Association Open Meeting Policy

All standing committee and Board of Directors meetings of the Tucson Association of REALTORS® shall be open to the membership at-large except when an executive session is called. *Revised 02/03/11*

Policy #28: Staff Liaison/Meeting Schedule

The Chief Executive Officer shall assign a staff liaison to all committees. All regularly scheduled committee meetings will be held at the Association office except when approved by the Chief Executive Officer or the President. Committee Chairs shall make arrangements for meetings through the assigned staff liaison.

Policy #29: Coordination of Association Activities

All functions of Association committees shall be coordinated through the Chief Executive Officer in an effort to avoid conflicts. A master calendar for scheduling purposes will be maintained at the Association office.

Policy #30: Committee Member Participation and Attendance at Committee Meetings

Only those members who have been appointed and confirmed by the Board of Directors are authorized to vote on issues that come before a committee.

Committee members are expected to attend all committee meetings to which they are appointed. The failure of a committee member to attend two consecutive committee meetings or a total of three scheduled committee meetings within a calendar year shall, absent a showing of a health condition, jury duty, or catastrophic event, be deemed to be an automatic resignation from the committee.

Policy #31: Association Staff Support

All Association staff are directly responsible to and under the direction of the Chief Executive Officer. Any requests for staff time shall be coordinated through the Chief Executive Officer. The Chief Executive Officer is responsible for the hiring and terminating of employment of all staff members.

Policy #32: Committee Meeting Report Procedure

A copy of the reports of all committee meetings will be available to the Committee prior to their next regularly scheduled meeting. *Revised 02/03/11*

A copy of the reports and minutes of all committee meetings will be distributed to the Board of Directors prior to their next regularly scheduled meeting. *Revised 02/26/09*

Policy #33: Board of Directors Agenda Items

Items to be placed on the Board of Directors Agenda shall be submitted to the Chief Executive Officer at least 7 days prior to the meeting. Any item which is not on the Agenda will not be discussed unless it is determined by the President or Chief Executive Officer to be of an emergency nature. If any person requesting the placement of an item on the Agenda disagrees with the decision of the President or the Chief Executive Officer, the item will require a two-thirds vote of the Directors present to be placed on the agenda.

Policy #34: Support Services for Institutes, Societies and Councils

The Association may provide reasonable administrative support services, as determined by the Chief Executive Officer, to affiliated Institutes, Societies and Councils. The Association may provide school administration services and/or funding to affiliated Institutes, Societies and Councils or, for a program that is deemed to be of significant importance to the industry. The Association will not obtain course or instructor approval for any other courses that are out of the direct control of the Association. *Revised 02/03/11*

Policy #35: Noise Emitting Devices

All noise emitting communication devices must be in the silent or off mode in all Association meetings or programs.

Policy #36: Government Affairs Committee

The Government Affairs Committee is charged with representing the Association's official position(s) on issues contained in the Government Affairs Legislative Policy Manual (the "PALPM") as reviewed and annually approved by the Board of Directors of the Tucson Association of REALTORS®. The PALPM establishes Association positions on various city and county related public policy issues. In the event an issue is not addressed in PALPM, the consent of the Board of Directors shall be required prior to any action being taken.

The President-elect shall appoint the incoming Government Affairs Chairman, pending Board ratification, not later than November 1st. The Government Affairs Committee shall be comprised of 10 or more members, at least one of whom shall be a member of the Board of Directors. The Committee is charged with monitoring and acting upon local government actions as they may relate to private property rights, real property, the real estate industry and REALTOR® interests. *Amended 12/15/11*

The Government Affairs Chairman, in conjunction with the Director of Government Affairs, shall be charged with making recommendations to the President regarding the filling of vacancies on local boards, commissions, agencies, committees and task forces.

The Government Affairs Committee shall, no later than September of each year, be charged with reviewing and recommending any prospective changes of the PALPM to the Tucson Association of REALTORS® Board of Directors. Any recommendations for changes to the Government Affairs Legislative Policy Manual shall require a 2/3 vote or more of those in attendance at the Government Affairs Committee meeting.

The Government Affairs Committee shall be charged with reviewing, updating and making recommended changes to this, or any related, policy(ies) no later than September of each year and immediately reporting its findings to the Tucson Association of REALTORS® Board of Directors.

The Government Affairs Committee is charged with utilizing the resources available through the Arizona Association of REALTORS® Issues Mobilization Committee (RIMC), the National Association of REALTORS® Issues Mobilization Committee and the local Legislative Issues Reserve (LIR) in implementing Association positions as delineated in the PALPM. Allocations from the LIR are authorized pursuant to the following guidelines:

- A. Amounts less than \$5,000 (\$10,000 aggregate per issue) may be expended from the LIR. Approval must be granted by a majority of the Government Affairs Committee at a regular meeting, special meeting, or by electronic vote.*
- B. Amounts of more than \$5000 but less than \$10,000 per issue may be expended from the LIR by a 2/3rds majority vote of the Government Affairs Committee at any regular or special meeting.
- C. Any amount over \$10,000 expended from the LIR must have the majority approval of the Government Affairs Committee at any regular or special meeting and is subject to the subsequent approval of the Board of Directors either at a regular meeting or special meeting.
- D. All funding request(s) made of the LIR shall be consistent with the PALPM and these policies as may be in effect at the time of the request.
- E. All funding request(s) made to the AAR RIMC and or the NAR Issues Mobilization Committee shall comply with the policies and requirements of that committee in effect at the time of the request.
- F. ALL allocations of funds shall be in compliance with any applicable federal, state, or local laws.

*Electronic votes may be permitted at the direction of the Chair of the Government Affairs Committee or the Director of Government Affairs if the issue is time sensitive and the subject to which the expenditure request applies was agendized and discussed at a previous meeting of the Committee.

To ensure that the Legislative Issues Reserve (LIR) is funded to a minimum level of \$100,000 at the beginning of fiscal year 2010, the following budget related policy shall apply:

- A. In the event that the LIR falls short of the \$100,000 at the end of the fiscal year, the Board of Directors may initiate any of the following to bring the LIR to the desired fund level of \$100,000:
 - 1. an allocation of any excess funds from the general fund to the LIR;
 - 2. a special assessment of membership to the LIR;
 - 3. a portion of dues to be designated to the LIR;
 - 4. any other funding mechanism approved by the Board of Directors.
- B. In the event that the LIR exceeds \$100,000 at the end of the fiscal year, the Board of Directors may elect to reallocate the excess to the general fund.
- C. Beginning in fiscal year 2011 and in each of the following three years, the LIR shall be raised in \$25,000 increments with the goal of fully funding, and thereafter maintaining, an annual balance of \$200,000. *Revised 02/03/11*

Policy #37(a): Candidate and Ballot Measure Task Force

The CBMTF shall be comprised of at least 7, and not more than 13, Association members and consist of a balanced mix of registered voters from the two major political parties and registered independent voters. The members should be experienced in local politics and preferably have served on the Government Affairs Committee.

The incoming RAPAC Subcommittee Chair, incoming Tucson Association of REALTORS® President Elect and the incoming Chair of the Government Affairs Committee shall be ex-officio members. Additionally, three of the Task Force members shall be “at large members” appointed to the CBMTF by the President-elect of the Tucson Association of REALTORS®. By November 1st of each year, the President-elect shall solicit the membership for volunteers to serve on the CBMTF. Volunteers must submit a resume and biographical information and shall qualify for potential selection based solely on their demonstrable support of the REALTOR® Party and the PALPM.

The incoming Government Affairs Chair shall, no later than November 15th of each year, appoint the incoming CBMTF Chair, subject to Board of Directors Approval. The CBMTF Chair, no later than December 30th of each year, shall appoint the otherwise undesignated members, as well as at least one ‘alternate’ from each of the three main parties, to the CBMTF and shall identify the various elections, and election cycles (e.g., primary and/or general and/or special) which the CBMTF shall be charged with (e.g., City of Tucson, Town of Oro Valley, Town of Marana, Town of Sahuarita, County of Pima, School District races, County Line Officer races, or any other elective office(s) or ballot issues at the local level which are deemed to have an impact on our profession). Interview portions of the meetings of the CBMTF shall be open to members of the Tucson Association of REALTORS® as non-participant observers. The Chair of the CBMTF shall call an executive session for the purposes of discussing and casting votes to endorse, not endorse or oppose any endorsement.

Provided that there are no overriding circumstances or general election opposition, any candidate who is endorsed by the CBMTF in a primary election shall be presumed to be

endorsed in the general election. "Overriding circumstances", for purposes of this provision, shall be determined by a vote of not less than a 70% affirmative vote of the CBMTF.

The CBMTF shall also be charged with reviewing, updating and making recommended changes to Policy Statement #37 (a), (b) and (c) no later than July of each year and immediately reporting findings to the Government Affairs Committee. *Revised 02/03/11*

Policy #37(b): Candidate Endorsements

The CBMTF shall be charged with interviewing, endorsing, not endorsing or opposing candidates for public office, regardless of political party. Endorsements are strictly limited to those candidates who are demonstrably supportive of "the REALTOR® Party" (e.g., are supportive of private property rights, real property, the real estate industry and the real estate related positions and policies as outlined in the PALPM).

The CBMTF shall, no later than January 30th of each year, be charged with creating, updating and obtaining the annual approval by the Tucson Association of REALTORS® Board of Directors of a candidate "scorecard" and related REALTOR® party questions to be used during the candidate interview process. The scorecard and questions shall be framed directly from the PALPM and shall be identical for each interview. Relevant, timely issues/questions may be added to the questionnaire by the CBMTF. Rules, guidelines and procedures will be established by the CBMTF Chairman and strictly adhered to by the Task Force members.

The CBMTF is authorized to endorse, not endorse or oppose any candidate. The endorsement, non-endorsement or opposition of any candidate shall be communicated to the Chair of the Government Affairs Committee, the Chief Executive Officer and the Tucson Association of REALTORS® Board of Directors prior to any public statement being made and shall conform to the requirements of Policy Statement #3. The CBMTF is authorized to expend RAPAC monies in support of any endorsed candidate as well as directing all authorized internal and external mechanisms available to further the endorsement or opposition of any candidate. *Revised 02/03/11*

Policy #37(c): Ballot Measure Endorsements

The CBMTF is charged with reviewing all local ballot initiatives and referenda related to private property rights, real property, the real estate industry and the PALPM. Any ballot initiatives or referenda which, in the reasonable consideration of the Government Affairs Committee or the CBMTF, meaningfully affect private property rights, real property or the real estate industry and are demonstrably identified in the PALPM may be endorsed, not endorsed or opposed. The endorsement, non-endorsement or opposition of any such local ballot initiatives and referenda shall be transmitted to the Chair of the Government Affairs Committee, the Chief Executive Officer and the Tucson Association of REALTORS® Board of Directors prior to any public statement being made and shall conform to the requirements of Policy Statement #3

Any ballot initiatives or referenda which, in the reasonable consideration of the Government Affairs Committee, meaningfully affect private property rights, real property or the real estate industry and are not identified in the PALPM shall be reviewed by the CBMTF, and then referred, with a recommendation made, to the Tucson Association of REALTORS® Board of Directors for their consideration and action. Any such recommendation shall be to endorse,

not endorse or oppose and shall include a related recommendation for the amendment of the PALPM which is consistent with the recommendation on the initiative or referendum in question.

The CBMTF is authorized, subject to the limitations prescribed under Policy Statement #36, to expend monies in support of the passage or defeat of any endorsed, or opposed, ballot initiatives and referenda as well as directing all authorized internal and external mechanisms available to further the endorsement or opposition of same. 02/03/11

Policy #38: Officer and Staff Endorsements

No Officer, Director or staff person of the Association may knowingly allow his/her Association title to be used for promotion of a political candidate or ballot issue. The Chief Executive Officer or Director of Government Affairs may not knowingly allow his/her name to be used for promotion of a public candidate or ballot issue.

Policy #39: Candidates for Association Elected Office

Each candidate may receive one Association email blast for campaign purposes. Revised 02/03/11

Policy #40: Voting Procedures

- A. The Chief Executive Officer of the Tucson Association of REALTORS®, Inc. shall be responsible for implementing the voting procedures.
- B. Elections shall be conducted electronically.
- C. Members eligible to vote will be provided detailed voting instructions with the Candidate Information provided in advance of the election period. Members eligible to vote shall be those members in good standing with the Association (all dues and fees paid), have completed any course of instruction required for membership, and are classified as “voting members” by the Association’s bylaws. The election period shall be determined by the Chief Executive Officer in compliance with Policies and/or Bylaws.
- D. The election site will clearly state “Vote for not more than #.” # indicates the number of positions available.
- E. The election site will be a secure site, allowing eligible members to vote only during the election period.
- F. Members without internet access may cast their electronic vote at the Association office during the election period.
- G. In the event of a tie between two or more REALTOR® candidates for a particular vacancy, a secret ballot shall be taken at the first Board of Directors meeting, the candidate receiving the highest number of votes shall be declared elected.
- H. Voting by eligible Affiliate members for the Affiliate position on the Board of Directors shall follow the same procedures as for REALTORS®, including the written ballot by the Board of Directors in the case of a tie.
- I. At the completion of the election period, the results will be available to the Chief Executive Officer or designee via a password protected website from the electronic voting provider. No information will be maintained that would indicate who voted for whom.
- J. Results of elections shall become part of the permanent records of the Association. Results of the elections shall be announced to the membership within 7 business days of the end of the election period. Vote results shall be published on the

Association website for 30 days. Vote result numbers shall not be published, but will be available to members upon request.

Policy #41: Limitation of Representatives from Firms

The Nominating and Credentials Committee (“NCC”) shall be responsible to advise all candidates running for a position of Officer or Director of the Association that pursuant to the Bylaws Article XI Section 1 the maximum combined number of Officers and Directors associated with any one firm who may simultaneously serve in such positions shall be limited to three (3) persons. The NCC shall prepare a written statement to be signed by each candidate running for a position as an Officer or Director acknowledging that the candidate has reviewed and is familiar with this policy #41. Concerning the three-person limitation from any one firm the following rules shall govern the elections:

- A. If there are currently three persons serving (who will continue to serve following the election) as Officer(s) and/or Director(s) from any one firm, then any candidate associated with that same firm wishing to run for the position of Officer or Director is advised that if (s)he is elected (s)he will be ineligible to be seated if they obtain the highest number of votes since the maximum of three (3) positions are already occupied by that firm. In such a situation the candidate (from another “eligible” firm) running for that same position with the next highest number of votes will be declared to be the winning party. If there is no other candidate who ran for that same position or who ran but, for any reason, is not willing to assume that position, then the position shall be declared vacant. The vacant position shall be filled expeditiously by the President making a recommendation of an eligible person to fill the position subject to confirmation by the Board of Directors.
- B. If less than three (3) persons associated with the same firm currently serving (and will continue to serve in such positions during the ensuing year) either as Officer(s) and/or Director(s) then there are only one or two potential position(s) available to that firm to fill. If more persons from the same firm run for positions either as Officer(s) or Director(s) than there are positions available to that firm and they are successful in obtaining the highest number of votes for the respective positions they ran for then the person(s) from that firm running for the position(s) of Officer receiving the highest number of votes will be eligible to fill the second and/or third position prior to the Director positions being considered. Thus, first preference shall be provided to the person(s), if any, from that firm who was (were) running for the position(s) of an Officer of the corporation. If there is still a position(s) available to the firm then the person(s) running for a position as Director with the highest number of votes as between or among those running from the same firm for position(s) as Director will be given preference and will be seated as a director. Any other candidates associated with that same firm who may have prevailed with the highest number of votes for the position they ran for, but with less votes than the other candidate(s) from the same firm running for a position as a Director will be ineligible to be seated for the position they ran for. In such a situation the candidate from another eligible firm running for that same position with the next highest number of votes will be declared to be the winning party. If there is no other candidate who ran for that same position or who ran but, for any reason, is not willing to assume that position, then the position shall be declared vacant. The vacant position shall be filled expeditiously by the President making a recommendation of an eligible person to fill the position subject to confirmation by the Board of Directors.

If there is any dispute, of any nature, arising out of the election, it shall be presented to the Board of Directors at its next regular meeting or at a special meeting to resolve the dispute. The Board of Directors shall determine how the matter is to be presented to it. The decision of the Board of Directors shall be final and binding. *(Added 04/14/11)*

Policy #42: Staff Relatives in Leadership Positions

Family members of staff shall not be eligible to serve as an Association Officer or on the Board of Directors. If such a relationship develops at the time a member is serving in any of said leadership positions, the elected leader or staff member must resign.

Family Member as used in this policy includes the following persons:

- A. A spouse or significant other of the staff member. Significant Other as used in this policy is one who stands in place of a spouse and who resides with the employee.
- B. A natural or adopted son or daughter of the staff member or a descendant of either.
- C. A stepson or stepdaughter of the staff member.
- D. The father or mother of the staff member or an ancestor of either.
- E. A stepfather or stepmother of staff member.
- F. A son-in-law, daughter-in-law, father-in-law or mother-in-law of the staff member.
- G. A brother or sister of the staff member.

This policy includes spouse in definition of family member. *Revised 02/26/09*

Policy #43: Policy Prohibiting Harassment (including sexual harassment)

The Tucson Association of REALTORS® committed to providing a work environment that is free of discrimination and/or harassment. In keeping with this commitment, the Association will not tolerate verbal or physical conduct by any employee or Member that harasses, disrupts, or interferes with another's work performance or that creates an intimidating, offensive, or hostile environment.

- A. Employees and Members are expected to maintain a productive work environment that is free from harassing or disruptive activity. No form of harassment will be tolerated, including harassment for the following reasons: gender, race, national origin, religion, disability, pregnancy, age, military status, or sex. Special attention should be paid to the prohibition of sexual harassment, which includes harassment by members of the same or of the opposite sex.
- B. Each staff supervisor has a responsibility to keep the workplace free of any form of harassment, and in particular, sexual harassment. No employee or Member is to threaten or insinuate, either explicitly or implicitly, that an employee's refusal or willingness to submit to sexual advances will affect the employee's terms or conditions of employment.
- C. Other sexually harassing or offensive conduct in the workplace, whether committed by supervisors, managers, non-supervisory employees, or non-employees, is also prohibited. Such conduct includes:
 - 1. Unwanted or unwelcome physical contact or conduct of any kind, including sexual flirtations, touching, advances, or propositions;
 - 2. Verbal abuse;
 - 3. Jokes of a demeaning or sexual nature;
 - 4. Demeaning, insulting, intimidating, or sexually suggestive comments about an individual's dress or body;

5. The display in the workplace of demeaning, insulting, intimidating, or sexually suggestive objects or pictures, including nude photographs; and
 6. Demeaning, insulting, intimidating, or sexually suggestive written, recorded, or electronically transmitted messages.
- D. Any of the above conduct, or other offensive conduct, directed at individuals because of their race, national origin, religion, disability, pregnancy, age, or marital status is also prohibited.
 - E. Any employee who believes that a supervisor's, manager's, other employee's, or non-employee's actions or words constitute unwelcome harassment has a responsibility to report or complain about the situation as soon as possible. The report or complaint should be made to the employee's supervisor, Staff Vice President, to the Chief Executive Officer or to a member of the Executive Committee of the Board of Directors.
 - F. All complaints of harassment are to be referred to the Chief Executive Officer for prompt investigation in as impartial and confidential a manner as possible. Employees and Members are required to cooperate in any investigation. A timely resolution of each complaint is to be reached and communicated to the parties involved.
 - G. Retaliation against any employee for filing a complaint or participating in an investigation is strictly prohibited.
 - H. Any employee or Member who is found to have violated the harassment policy will be subject to immediate and appropriate corrective action, depending on the circumstances, up to and including termination of employment or membership.

Policy #44: Alcoholic Beverages

Alcoholic beverages may only be made available or consumed at the Association facility after 5:00 p.m. MST Monday through Friday or anytime on Saturdays, Sundays, holidays, or other occasions when the Association business office is officially closed, for either Association sponsored events or in conjunction with a facility rental agreement with a third party for a special event. Exceptions to this policy require the Board of Directors' prior approval. Any Lessee desiring to make available or serve alcohol at the Association facility must provide the Association, in advance of the event, a certificate of both general commercial liability insurance and liquor legal liability insurance each in the amount of not less than one million dollars (\$1,000,000.00) naming the Association as an additional named insured on each policy. The Chief Executive Officer shall have the right to impose additional requirements he/she deems reasonably necessary to protect the interest of the Association and its facilities when alcohol will be made available or consumed at the facility.

Policy #45: Association Training Rooms

The Chief Executive Officer or designee is authorized to refuse access to any individual and or/group.

Policy #46: Role of the Board of Directors

The Board of Directors is the governing body of the Association and is empowered by the Bylaws to lead, and ultimately be responsible for, the corporation called the Tucson Association of REALTORS®, Inc.

The Board of Directors:

- Approves the strategic and business plans
- Approves the annual budget and exceptions to the budget
- Accepts financial statements
- Approves minutes of previous meetings
- Approves committee members nominated by the President
- Ratifies Executive Committee recommendations presented as a consent agenda (a board member may request special consideration of any item on the consent agenda as long as the issue is placed on the board agenda 48 hours prior to a meeting)
- Employs a Chief Executive Officer to manage the day to day affairs of the Association and who is responsible for staff
- Oversees the strategic direction of the organization
- Ensures compliance with legal norms and good business practices

The Board may, in compliance with the Bylaws and Policy Statements, have access to any corporate documents, review any process or service of the Association and pass binding resolutions to achieve the goals of the organization.

The Board of Directors is a strategic body that oversees the strategic plan and delegates to committees and staff the roles of policy development and administration.

The role of a Director is to:

- Regularly and punctually attend meetings and stay for the entire meeting except when prior approval to leave early has been granted by the President.
- Serve on a committee
- Offer opinions and exercise reasonable judgment on issues before the Board
- Understand the fiduciary responsibility to the corporation and exercise reasonable prudence in fulfilling that responsibility without regard for personal business interests
- Know the financial condition of the Association and be acquainted with the budget process
- Be primarily concerned with the strategic direction of the organization delegating operations and consideration of action items to committees or staff

Policy #47: Role of the Executive Committee

The Executive Committee consists of:

President
 Past President
 President Elect
 Vice President
 Treasurer
 Chief Executive Officer (secretary and non-voting member)

The Executive Committee provides oversight of committee and staff actions and provide appropriate recommendations to the Board of Directors. The Executive Committee is also empowered, within parameters established by the Bylaws and Policy Statements of the Board of Directors, to transact emergency business.

The Executive Committee

- Approves minutes of the previous meeting
- Reviews and recommends financial statements to the Board of Directors
- Prepares the annual Association budget
- Reviews and approves committee decisions
- Approves appropriate staff requests
- Oversees operations of the Association
- Ensures compliance with legal norms and good business practices
- Take appropriate action on an emergency basis between Board of Director meetings
- Meet as an oversight committee, with the Association attorney, to consider issues listed in the authority matrix

The Executive Committee member

The Role of the Executive Committee Member is to:

- Regularly and punctually attend meetings and stay for the entire meeting except when prior approval to leave early has been granted by the President.
- Offer opinions and exercise reasonable judgment on issues before the committee
- Know the financial condition of the Association and be acquainted with the budget process
- Be primarily concerned with achieving the strategic and business plan and providing the appropriate amount of oversight for operations
- Understand the fiduciary responsibility to the corporation and exercise reasonable prudence in fulfilling that responsibility without regard for personal business interests
- Understand the decision making processes of the Association and respect the roles delegated to committees and staff with reasonable deference to their due diligence in recommending appropriate action to the Executive Committee

Policy #48: Role of Committees

Committees consist of volunteer members approved by the Board of Directors and a non-voting staff liaison member (key staff) assigned by the Chief Executive Officer. Committees carefully consider issues within their scope of responsibility and work to achieve the goals of the Strategic and Business Plans. Committees recommend policies and action plans to the Board of Directors for approval. A committee member, including the chair, may be removed by the President if the member is not fulfilling the obligation of the committee to achieve the Strategic and Business Plans, or does not comply with responsibilities listed below.

Role of the Chair

- Schedule and effectively preside over meetings
- Know the scope and purpose of the committee
- Know the financial and budgetary parameters of the committee
- Develop a strategy for achieving the goals of the business plan
- Manage the workload of the committee with due consideration for members' time
- Appoint subcommittees and work groups when appropriate

- Ensure that committee members have meaningful input and are consulted on all matters facing the committee
- Genuinely reflect the will of the committee
- Develop future leaders
- Attend Executive Committee or Board of Directors meetings when a topic is controversial or requires special expertise that cannot be provided by staff or at the request of the President or Chief Executive Officer
- Provide general guidance and serve as a resource to the key staff member for questions or clarification
- Understand the decision making processes of the Association and respect the rights and privileges delegated to staff with reasonable deference to their due diligence in recommending appropriate action to the committee

Role of the Committee Member

- Regularly and punctually attend meetings
- Develop expertise in the committee's area of responsibility
- Serve on subcommittees or workgroups as time permits
- Offer opinions and exercise reasonable judgment on issues before the committee without regard for personal business interests
- Serve as a resource to the Chair and key staff person for advice and guidance
- Positively represent committee decisions to Association members and the public
- Respect the management role delegated to staff with reasonable deference to their due diligence in carrying out their duties

Policy #49: Role of Staff Liaisons

The Chief Executive Officer assigns staff liaisons to committees to support the work of the committee, memorialize meetings, notify members of the meeting, prepare the agenda with the Chair, administer committee work between meetings, coordinate with other key staff and communicate with the Executive Committee and the Board of Directors. The key staff member is a non-voting member of the committee with the responsibilities of a committee member.

Additional key staff person responsibilities

- Know the committee's purpose and scope and enable communication between the Board of Directors, Executive Committee, committee leadership and senior management
- Serve as a resource to chairs on processes for effectively managing meetings and the purpose of the committee
- Prepare the meeting site, notify members of meetings, prepare the agenda with the chair and memorialize the meeting
- Work with senior management to avoid duplication and create synergy between committees
- Know the financial aspects of the committee and be familiar with the budget process
- Ensure the committee has clear outcomes and evaluate progress against goals throughout the year with regular reports to the Executive Committee
- Work with senior management to avoid conflicts between committees
- Provide administrative support for committees and perform administrative duties between meetings

- Respect the rights and privileges of the Board of Directors, Executive Committee and committees, their authority to set policy and guidelines with reasonable deference to their expertise and recognition the Association exists for their benefit

Policy #50: President Advisory Groups, Task Forces and Work Groups

The President may appoint a Presidential Advisory Group (PAG) to consider specific topics and issue specific recommendations to the President. The Board of Directors may authorize a Task Force to consider specific topics and issue recommendations to the Board. The Board of Directors, Executive Committee and/or committee chairs may create a work group to discuss general issues for the mutual education of all members.

Policy #51: Deleted

Policy #52: Legal Policy

All Tucson Association of REALTORS® documents and information contained in hard copy or in electronic storage are private property of the Association and shall be treated as confidential information. The staff of the Tucson Association of REALTORS® and The Tucson Association of REALTORS® Multiple Listing Service are permitted, and instructed, to cooperate with any governmental law enforcement agencies and courts and provide such confidential information only under the following circumstances:

1. The law enforcement agency or court must present a valid subpoena detailing the documents or information requested to the Chief Executive Officer (“CEO”).
2. Staff, acting under the direct supervision of the CEO or his/her designee will cooperate with the law enforcement agency or court to expeditiously provide the requested documents or information within the parameters of the subpoena but will not voluntarily provide any documents or information beyond the terms of the subpoena.

Policy #53: Conflict of Interest

The purpose of the conflict of interest policy is to protect this tax-exempt organization’s interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Tucson Association of REALTORS® or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Definitions:

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

3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Tucson Association of REALTORS® is negotiating a transaction or arrangement.

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

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

Procedures:

A. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors considering the proposed transaction or arrangement.

B. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board of Directors meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board members shall decide if a conflict of interest exists.

C. Procedures for Addressing the Conflict of Interest

1. An interested person may make a presentation at the Board of Directors meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
2. The Board President shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
3. After exercising due diligence, the Board of Directors shall determine whether the Association can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
4. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Association's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

D. Violations of the Conflicts of Interest Policy

1. If the Board of Directors has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
2. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board of Directors determines the member

has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Records of Proceedings:

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

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

Compensation:

- A. A voting member of the Board of Directors who receives compensation, directly or indirectly, from the Association for services is precluded from voting on matters pertaining to that member's compensation.
- B. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Association for services is precluded from voting on matters pertaining to that member's compensation.
- C. No voting member of the Board of Directors or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Association, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Annual Statements:

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

- A. Has received a copy of the conflicts of interest policy,
- B. Has read and understands the policy,
- C. Has agreed to comply with the policy, and
- D. Understands the Association is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Periodic Review:

To ensure the Association operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- A. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- B. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Association's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable

purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Use of Outside Experts:

When conducting the periodic reviews as described above, the Association may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of Directors of its responsibility for ensuring periodic reviews are conducted.

Policy #54: Joint Venture Policy

The Tucson Association of REALTORS® must evaluate its participation in joint venture arrangements under federal tax law and take steps to safeguard the Association's exempt status with respect to such arrangements. It applies to any joint ownership or contractual arrangement through which there is an agreement to jointly undertake a specific business enterprise, investment, or exempt-purpose activity as further defined in this policy.

- A. Joint ventures or similar arrangements with taxable entities. For purposes of this policy, a joint venture or similar arrangement (or a "venture or arrangement") means any joint ownership or contractual arrangement through which there is an agreement to jointly undertake a specific business enterprise, investment, or exempt-purpose activity without regard to: (1) whether the Tucson Association of REALTORS® controls the venture or arrangement; (2) the legal structure of the venture or arrangement; or (3) whether the venture or arrangement is taxed as a partnership or as an association or corporation for federal income tax purposes. A venture or arrangement is disregarded if it meets both of the following conditions:
1. 95% or more of the venture's or arrangement's income for its tax year ending within the Tucson Association of REALTORS®'s tax year is excluded from unrelated business income taxation [including but not limited to: (i) dividends, interest, and annuities; (ii) royalties; (iii) rent from real property and incidental related personal property except to the extent of debt-financing; and (iv) gains or losses from the sale of property]; and
 2. The primary purpose of the Tucson Association of REALTORS®'s contribution to, or investment or participation in, the venture or arrangement is the production of income or appreciation of property.
- B. Safeguards to ensure exempt status protection. The Tucson Association of REALTORS® will: (a) negotiate in its transactions and arrangements with other members of the venture or arrangement such terms and safeguards adequate to ensure that the Tucson Association of REALTORS®'s exempt status is protected; and (b) take steps to safeguard the Tucson Association of REALTORS®'s exempt status with respect to the venture or arrangement. Some examples of safeguards include:
1. Control over the venture or arrangement sufficient to ensure that it furthers the exempt purpose of the Tucson Association of REALTORS®;
 2. Requirements that the venture or arrangement gives priority to exempt purposes over maximizing profits for the other participants;
 3. That the venture or arrangement not engage in activities that would jeopardize the Tucson Association of REALTORS®'s exemption; and
 4. That all contracts entered into with the Tucson Association of REALTORS® be on terms that are arm's length or more favorable to the Tucson Association of REALTORS®.

Policy #55: Whistleblower Policy:

The Tucson Association of REALTORS®: (1) encourages staff and volunteers to come forward with credible information on illegal practices or serious violations of adopted policies of the Association; (2) specifies that the Association will protect the person from retaliation; and (3) identifies where such information can be reported.

- A. Encouragement of reporting. The Association encourages complaints, reports or inquiries about illegal practices or serious violations of the Association’s policies, including illegal or improper conduct by the Association itself, by its leadership, or by others on its behalf. Appropriate subjects to raise under this policy would include financial improprieties, accounting or audit matters, ethical violations, or other similar illegal or improper practices or policies. Other subjects on which the Association has existing complaint mechanisms should be addressed under those mechanisms, such as raising matters of alleged discrimination or harassment via the Association’s human resources channels, unless those channels are themselves implicated in the wrongdoing. This policy is not intended to provide a means of appeal from outcomes in those other mechanisms.
- B. Protection from Retaliation. The Association prohibits retaliation by or on behalf of the Association against staff or volunteers for making good faith complaints, reports or inquiries under this policy or for participating in a review or investigation under this policy. This protection extends to those whose allegations are made in good faith but prove to be mistaken. The Association reserves the right to discipline persons who make bad faith, knowingly false, or vexatious complaints, reports or inquiries or who otherwise abuse this policy.
- C. Where to report. Complaints, reports or inquiries may be made under this policy on a confidential or anonymous basis. They should describe in detail the specific facts demonstrating the basis of the complaints, reports or inquiries. They should be directed to the Association’s Chief Executive Officer or President of the Board of Directors; if both of those persons are implicated in the complaint, report or inquiry, it should be directed to the President-elect of the Board of Directors. The Association will conduct a prompt, discreet, and objective review or investigation. Staff or volunteers must recognize that the Association may be unable to fully evaluate a vague or general complaint, report, or inquiry that is made anonymously.

Policy #56: Records Retention Schedule:

General and Financial

Corporate records, minutes, etc.	Permanently
Titles, mortgages, etc.	Permanently
Contracts & agreements, expired	7 years
General ledger & trial balance, year end	Permanently
Records of securities owned, canceled	7 years
Journals	Permanently
Insurance records:	
Fidelity bonds	3 years
Inspectors reports	Permanently
Schedules, claims, permanent records	7 years
Fire, liability, auto, etc. policies expired	Optional
Record of policies in force	3 years
Tax records of fixed assets, appraisals, additions, retirement	Permanently

Accountants' audit reports	Permanently
Sales and Accounts Receivable	
Accounts receivable ledgers and subsidiaries	7 years
Accounts receivable trial balances	3 years
Sales journals	7 years
Copies of invoices and supporting data	3 years
Uncollectible account files, including authorization for write –offs	7 years
Records relating to sales to affiliated or associated companies	7 years
Notes receivable and trial balances, canceled	7 years
Payrolls	
Payroll journals-and summaries	7 years
Receipted pay checks, time tickets, etc.	7 years
Records pertaining to payroll deductions	7 years
Files, assignments, attachments, garnish	3 years
Individual earnings records	Permanently
Form W-2	3 years
Form W-4	Permanently
Cash and Collections	
Cash books - receipts and disbursements	Permanently
Bank deposit slips	1 year
Deposit books and stubs	7 years
Bank reconciliation papers	1 year
Records of outstanding checks, drafts, etc.	7 years
Daily or periodic cash reports	3 years
Canceled checks, paid drafts	7 years
Canceled payroll checks	7 years
Bank statements (after audit)	7 years
Petty cash vouchers	3 years
Inventories	
General inventory with adjustment records	Permanently
Store requisitions	3 years
Physical inventory tags and records	3 years
Purchases and Accounts Payable	
Accounts payable ledgers	7 years
Accounts payable trial balances	3 years
Voucher register or purchase journals	Permanently
Paid bills and vouchers	7 years
Copies of purchase orders:	
Purchasing department copy	3 years
Others	1 year
Bids and offers	7 years
Price records of purchases	Permanently

Purchase contracts	7 years
Bills of lading	3 years
Miscellaneous	
Correspondence:	
Legal and important matters only	Permanently
General	1-5years
Unimportant nature with customers or vendors	1 year
Financial statements (interim)	Permanently
Social security return:	
State	Permanently
Federal	Permanently
Sales tax - State	Permanently
Excise tax – Federal	Permanently
Trial balances – monthly	5 years
Equipment records	Permanently
Leases - expired	7 years

Policy #57: Employee and Member/Volunteer Relations: *Added 05/27/10*

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

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

Policies, Programs and Services

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

Committee Support

- A. An Association employee should render all possible technical and administrative assistance to the committees and work groups to which he/she is assigned. The Association employee is involved so as to answer questions, offer suggestions or raise questions, when appropriate, and to conduct research or carry out tasks as assigned by the committee chair and/or Chief Executive Officer.

- B. An Association employee is expected to be knowledgeable on TAR policy, committee scope and the subject under discussion.

Staff and Member/Volunteer Relations

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