

Northwest Montana Association of REALTORS®, Inc.
Policy Document
Originally Adopted October 15, 2010
Ratified 5.6.16, 9.8.17, 2.2.18, 3.8.18, 2.1.19, 6.3.22, 10.7.22, 8.4.23, 3.1.24

Contents

Article I.	MEMBERSHIP	2
Article II.	MEETINGS	4
Article III.	ELECTIONS	6
Article IV.	PRESIDENTIAL APPOINTMENTS	7
Article V.	CONFLICTS OF INTEREST	7
Article VI.	WHISTLEBLOWER.....	7
Article VII.	DOCUMENT RETENTION	9
Article VIII.	LEADERSHIP BY OFFICERS AND BOARD OF DIRECTORS.....	9
Article IX.	COMMUNICATIONS	14
Article.	PROFESSIONAL DEVELOPMENT	14
Article XI.	PROFESSIONAL STANDARDS COMMITTEE.....	15
Article XII.	STAFF	19
Article XIII.	FINANCIAL MANAGEMENT	20
Article XIV.	INVESTMENTS	23
Article XV.	TRAVEL BY LEADERSHIP	26
Article XVI.	ADOPTION, AMENDMENTS AND DURATION	26
	APPENDIX – RECORDS RETENTION PLAN	28

Article I - MEMBERSHIP

Section 1.01 Notification of New Licensee / Non-Member Fee

1. **Duties of Designated REALTOR®** - Designated REALTORS® shall report to NMAR the names of licensees who will be joining their firms as soon as possible. NMAR should be notified by the Designated REALTOR® when there is an address change or a request to transfer a license. A signed copy of the BRR form delivered to NMAR is adequate notice. (amended 9/17)
2. **Non-Member Fee** - NMAR will bill the Designated REALTOR® a non-member fee according to the REALTOR® dues schedule adopted annually by the NMAR Board of Directors for a licensee who has not made application for NMAR membership within thirty (30) days of his/her licensee being placed at the Participant Firm. (amended 9/17)

Section 1.02 Orientation Class

1. **Online Course Work** - Each new member must complete an orientation to be granted full membership. The Orientation shall consist of the NAR New Member Code of Ethics course, and online course(s) or trainings as established by the Board of Directors. Costs associated with the online courses shall be paid by the application fee. (amended 9/17)
2. **Completion** - The applicant must complete the orientation process within thirty (30) days of the license arriving at a REALTOR® office. (amended 10/22)

Section 1.03 Induction of New Members

New Members must be inducted into membership before they are considered Members of NMAR. Licensees can still conduct real estate business while waiting to be inducted. Licensees cannot unreasonably delay their induction. (amended 9/17)

Section 1.04 Active & Current Email Address Required

All new and returning members of NMAR are required to have an active, current email address for official communications from NMAR, and agree to keep said email address current in their NMAR records. (amended 9/17)

Section 1.05 Suspension of Membership/ "Good Standing"

1. Anyone suspended from membership because of non-payment of dues or fees in either NMAR or the Montana Regional MLS must pay all dues or fees owed in full before reinstatement of membership.
2. No refund of dues or fees paid shall be made upon suspension of membership.
3. Suspension for failure to pay does not require confidentiality.
4. Suspension involving a Professional Standards issue or procedure will be done in compliance with the NAR Code of Ethics & Arbitration Manual (NAR CEAM).
5. A member who is not current with dues or fees loses their status as a "member in good standing" with NMAR, MAR and NAR, and the Montana Regional MLS.
6. When placed on probation, the "member in good standing" status is not returned to the member until the probationary terms and period are completed.

Section 1.06 Non-Payment of Annual REALTOR® Dues

According to NMAR bylaws, annual Realtor dues, including local, state and national, are due to be paid by January 1st of each year (see Article X, Section 3). According to Section 4 of Article X of NMAR bylaws, if dues are not paid within one (1) month after the due date, the Board of Directors may inactivate membership. If not paid within two (2) months after the due date membership automatically inactivates. (amended 9/17, 10/22)

In the event the annual Realtor dues are not paid by the 15th of January and the Realtor's license has remained active, a \$50 late fee shall be assessed and must be paid with the annual dues. A reactivation fee of \$50 will be assessed following inactivation of membership. In the event a Realtor whose license has been voluntarily inactive re-activates the license and returns to membership in NMAR, no fees shall be assessed. (amended 10/22)

NMAR encourages its members to pay their dues online, which allows them to pay at any time of day or night. However, if paying by check, the payment must be received by NMAR before the close of business on the due date. If the payment date falls on a holiday or weekend, payment is due by close of business on the next regular business day. (adopted on 2/18/11; amended 12/9/11)

Section 1.07 Affiliate Membership

1. Affiliate membership is available to any company or individual supportive of REALTOR® principles and private property rights, is familiar with the Realtor Code of Ethics, the governing documents of NMAR, MAR and NAR, and commits to abide by the Code of Ethics and governing documents.
2. There is no application fee.
3. The annual dues are \$300 per year for NMAR affiliate membership. (amended 1/24)
4. Dues are not prorated and are a flat rate for the calendar year regardless of when the affiliate member joins.
5. Affiliates may elect to receive an affiliate membership with the Montana Association of Realtors.
6. Affiliate membership does not provide membership in the National Association of Realtors (no NRDS, National Realtor Database System, number is assigned).
7. Affiliate membership is for the business, which designates a Contact person. If at any time the Contact person is no longer affiliated with the company, then a new Contact person can be designated by the Company. The Contact Person may request up to two additional individuals to be their Representatives. The Representatives will receive all email communications from NMAR.
8. Affiliate Member's Designated Contact Person and/or Representative/s may serve on NMAR Committees, subject to ratification by the Board of Directors, and as allowed by the bylaws, policies and other governing documents (e.g., Affiliates may not be elected to the Board of Directors, may not serve on the Budget & Finance Committee, Professional Standards Committee or Professional Development Committee).
9. An Affiliate member may not chair a committee, but may serve as a Task Force chair at the discretion and direction of the Committee Chair.
10. While an Affiliate member is encouraged to partake in committee activities and NMAR values their opinions and information, an Affiliate member is not entitled to vote on decisions made by committees.
11. An affiliate member may be appointed to a Presidential Advisory Group (PAG). It shall be at the discretion of the Board President whether the Affiliate Member shall be entitled to a vote on the PAG;
12. The "benefits" of NMAR Affiliate membership include:
 - a. Networking opportunities with NMAR REALTOR members and other Affiliate Members, including but not limited to membership meetings, social activities;
 - b. Listing on NMAR's website, including a URL link to Affiliate member's website;
 - c. Affiliate member "focus" article in the Member e-bulletin at least annually;
 - d. Provide the opportunity to sponsor events at NMAR;
 - e. Member bulletins, which will be sent to the Designated Contact Person and up to 2 other representatives;
 - f. Access to the NMAR Membership roster on at least a quarterly basis;
 - g. Education Vouchers and courses at the reduced NMAR Member price; and
 - h. Other benefits as determined by the Board of Directors.(amended 1/19)

Section 1.08 Anti-Trust

The Northwest Montana Association of REALTORS® and its Officers, Directors, employees and committees fully support and intend to comply with all applicable federal and state anti-trust laws and shall not engage in any anti-competitive conduct or practices, nor allow the Board to be used by any member or committee for any anti-competitive or unlawful purpose or having any anti-competitive effect, including but not limited to the following kinds of prohibited conduct:

1. Any discussions or effort to directly or indirectly fix, peg, raise, lower, control, recommend, suggest or maintain broker's commissions or commission splits on the sale of real estate.
2. Any contract, combination, conspiracy, discussions, or effort to divide or allocate real estate markets or customers.
3. Any discussions or effort to engage in any boycott or concerted refusal to deal.
4. Any discussions or effort to disparage or injure the business or trade of anyone.

Minutes should be kept of all meetings of the Directors, Executive Committees and standing committees which summarize accurately and concisely the action taken at the meeting. For maximum protection, the minutes should be reviewed by the officer in charge and/or Board legal counsel to be sure that the language used is not subject to misinterpretation.

Article II - MEETINGS

Meetings shall be conducted by a quorum, held no less than quarterly to ensure quality programs, with exception of the General Membership Meeting which is held annually. A quorum is defined as a majority of the voting members. (amended 9/17, 1/19, 10/22)

Section 2.01 Agenda / Notices / Emails

1. Agenda and meeting notices shall be delivered to appropriate members at least three (3) business days prior to the meeting. Notice to include location, time and date of meeting. (amended 9/17, 9/22)
2. A Consent Agenda will be used at Board meetings. The purpose will be to ensure the efficiency and effectiveness of Board meetings. To provide an efficient process for approval of regular or routine issues that come before the Board or matters where no debate is anticipated.
 - a. Materials proposed to be dealt with under the consent agenda portion of the agenda shall be clearly identified as falling under the consent agenda in the meeting packet. Board members should review the consent agenda items prior to the meeting.
 - b. Items on a Consent Agenda (if any): meeting minutes, EO report, PAD report, MAR/NAR Reports, program/committee reports, committee appointments, correspondence that require no action and formal approval of items that had much past discussion.
 - c. The Consent Agenda will be approved by the board at the beginning of the meeting. Items may be moved out of the consent agenda section at the request of any member of the board prior to approval of the agenda. No motion or vote of the board is required with respect to a request to move an item out of the consent agenda. The chair will decide where to put the moved item on the agenda. (amended 2/18)

Section 2.02 Minutes and Motions

1. Minutes of the last meeting and any financial reports to be discussed shall be distributed by private email before the meeting to each qualified attendee by the committee/Board liaison. (amended 9/17)
2. Minutes shall reflect all persons in attendance.

3. The Elected Secretary shall provide an official copy of each set of minutes for the AE to maintain in the records of NMAR. Staff assistance may be provided to the Elected Secretary in transcribing the minutes, upon request of the Elected Secretary. If a staff member drafted the minutes of a meeting, the Elected Secretary or Chair of the committee shall review (and revise if necessary) the minutes before they are presented to the Board for approval.
4. Motions shall be reflected in the Minutes.

Section 2.03 Robert's Rules of Order

Meetings shall be conducted according to Robert's Rules of Order unless there are less than a quorum in attendance and those meeting vote to operate by consensus. If operating by consensus, action items shall require a motion process as set forth in Robert's Rules of Order and shall be recorded in the minutes. (amended 9/17)

Section 2.04 Attendance

Any Director, elected Officer, Committee or Task Force Member who will be unable to attend a noticed meeting shall contact the AE or the chairperson in writing prior to that meeting to be "excused." Email is an acceptable form of notification.

Any committee member who misses three (3) meetings during the elected year (including excused absences) may be removed from the committee upon majority vote of a quorum. If three absences occur from the Chair or Vice Chair, a new appointment will take place by the President. (amended 3/18)

Section 2.05 Recording Prohibited

Recording of meetings is not allowed, by electronic or any other means. If a motion is passed by a quorum which allows a committee or task force meeting to be recorded, then the person recording the meeting shall provide a full transcript, prepared by a court reporter or other transcription service acceptable to the AE, of the meeting to the AE to be kept as a record of that meeting. The transcription must be received within 10 business days of the meeting which was recorded. Transcription costs shall be at the expense of the person requesting the recording.

Section 2.06 Use of Staff for Communications

The staff of NMAR shall be used to direct communications to members and to Leadership concerning the governance of NMAR. This shall include communications concerning scheduling, calendaring, noticing of meetings, recording of minutes, and posting to the website.

Section 2.07 Open & Closed Meetings

All meetings are open to all members with the following exceptions:

1. Credential Review Committee
2. RPAC Trustee Meetings when determining candidate contribution
3. Executive Committee Meetings when discussing staff issues, including but not limited to AE compensation, employment contracts, and job performance (amended 9/17)
4. Professional Standards and Grievance Committee Meetings
5. Issues & Mobilization Trustee Meetings when determining expenditures
6. Awards selections (e.g., Realtor of the Year)
7. Executive Sessions of the Board of Directors which necessitate privacy and/or confidentiality

Section 2.08 Board of Director Meetings

The President shall, as soon as possible after being inducted, present to the Board of Directors for approval the dates set for the regular Director meetings to be held during the President's term. The dates will be posted on the Association calendar by staff. (amended 9/17)

Any Director who misses three (3) meetings during the elected year (including excused absences) shall be considered to have resigned and may be replaced at the discretion of the Board. (amended 1/19)

Article III - ELECTIONS

Section 3.01 Governed by Bylaws

The Election process shall be governed by the current bylaws of NMAR.

Section 3.02 Course on Robert's Rules of Order

It is the responsibility of all elected leaders to become familiar with Roberts Rules of Order. Elected leaders may be enrolled in a basic course on Robert's Rules of Order at NMAR's expense if they so request and approved by the Board of Directors.

Section 3.03 Credential Review Committee

1. Composition
 - a. The President shall appoint Members who shall be ratified by the Board of Directors to be on the Credential Review Committee.
 - b. Credential Review Committee members must be Members in Good Standing who are either not otherwise eligible or are not interested in being considered for the elected positions to be considered for the committee. (amended 10/22)
 - c. Past NMAR Presidents shall be considered for this committee.
 - d. The Chair of the Credential Review Committee shall be the current President-elect.
2. Duties
 - a. The Credential Review Committee shall review the current Bylaws and all proposed revisions to Bylaws before the annual election process begins to ensure the election will comply with the bylaws.
 - b. The Credential Review Committee will find nominees for elected positions and will confirm with the AE that the potential nominees are a Member in Good Standing with NMAR.
 - c. The Credential Review Committee will seek Nominees for elected officer positions that should have served as a Director or in leadership (e.g., committee chair or similar position) and be familiar with this corporation's bylaws, rules and regulations, policies and committees.
 - d. The Credential Review Committee will confirm with the nominee that nominee has accepted the nomination.
 - e. The Credential Review Committee will provide an application that all nominees will fill out. This application will be used in the election process and put forth to the voting members. (amended 8/23)

Section 3.04 Compliance with Article XI, Section 3 (b) of Bylaws

In order to fully comply with Article XI, Section 3(b) of the Bylaws, the Board has adopted this policy relating to elections where more than two (2) members from the same firm may be serving on the board simultaneously.

1. If a firm is represented by two (2) of its members on the Board and those Board members will remain on Board for the next year, then no member from that firm is eligible to run for any Board position;
2. If a firm is represented by one (1) of its members on the Board who will remain on the Board for the next year, and 2 or more candidates from that same brokerage office are elected, then the Executive Board position (officer)(if there is one) will take precedence over the Director position. If the candidates from the same firm are both seeking a state/local Director position, the candidate

with the least votes shall be considered ineligible to serve on the Board pursuant to the bylaw provision. (amended 10/22)

Article IV - PRESIDENTIAL APPOINTMENTS

The Board of Directors will call for volunteers for committee positions. The President annually shall appoint from those volunteers, members of the Association to the committees of the corporation. The Board of Directors shall ratify appointments at the next regular meeting of the Board. (amended 9/17)

Article V - CONFLICTS OF INTEREST

The Board of Directors acknowledge that information, programs, research, services and methods of operation are developed by NMAR for all members and as Directors they are obligated to pass on this information to their constituencies. Therefore, Board of Director members will not expropriate for themselves, their businesses, or another organization any information received as a result of their positions as a Directors or Officers of NMAR, prior to disseminating this information to their constituencies.

Members will not create any program that is in direct competition with an NMAR program including those programs that NMAR may develop in the future. (amended 10/22)

They will openly declare any actual or perceived conflict of interest that may result from taking part in discussion or decision making on an issue before the association while having business, professional, or personal interests that could bias their decisions. They acknowledge the Board of Directors has the sole responsibility for determining whether the Board member's interests constitute a conflict and if so what the remedy will be.

Article VI - WHISTLEBLOWER

Section 6.01 Purpose

NMAR is committed to high standards of ethical, moral and legal business conduct. In line with this commitment and NMAR's commitment to open communication, this policy provides an avenue for employees and volunteer leadership to raise concerns. No employee, director or volunteer who, in good faith, reports a concern shall be subject to retaliation or, in the case of an employee, adverse employment consequences. Moreover, a volunteer or an employee who retaliates against someone who has reported a concern in good faith is subject to discipline up to and including dismissal from the volunteer position or termination of employment.

Each employee, director and volunteer of NMAR has an obligation to report in according with this Whistleblowing policy the good faith concerns about:

1. Incorrect financial reporting;
2. Unlawful activity;
3. Activities that are not in line with NMAR policy; or
4. Any other activities that constitute serious improper conduct

Section 6.02 Safeguards

1. Harassment or victimization
 - a. Harassment or victimization for reporting concerns under this policy will not be tolerated.
2. Confidentiality

- a. Every effort will be made to treat the complainant's identity with appropriate regard for confidentiality.

Section 6.03 Anonymous Allegations

This policy encourages employees to put their names to allegations because appropriate follow-up questions and investigation may not be possible unless the source of the information can be identified. Concerns expressed anonymously will be explored appropriately, but consideration will be given to: (a) the seriousness of the issue raised; (b) the credibility of the concern; and (c) the likelihood of confirming the allegation from reliable sources.

Section 6.04 Bad Faith Allegations

Anyone reporting a concern must act in good faith and have reasonable grounds for believing the information disclosed indicates an improper accounting or auditing practice. The act of making allegations that prove to be unsubstantiated, and that prove to have been made maliciously, recklessly or with the foreknowledge that the allegations are false, will be viewed as a serious disciplinary offense and may result in discipline, up to and including dismissal from the volunteer position or termination of employment. Such conduct may also give rise to other actions, including civil lawsuits.

Section 6.05 Step One: Process for Submitting a Concern

1. For Employees:

- a. Reporting:

The whistleblowing procedure is intended to be used for serious and sensitive issues. Such concerns, including those relating to financial reporting, unethical or illegal conduct may be reported directly to the Association Executive Officer. (amended 9/17)

Employment related concerns should continue to be reported through your normal channels as set forth in NMAR Staff Policy.

In the event the employee is uncomfortable speaking with the Association Executive Officer, or the Association Executive Officer is the subject of the concern, the employee should report his or her concern directly to the President of the Association. The Association Executive or the President shall immediately forward the concern to the Executive Committee for processing as set forth herein.

- b. Timing: The earlier a concern is expressed, the easier it is to take action.

2. For Volunteers:

- a. Reporting:

Directors and other volunteers should submit concerns in writing directly to the President. In the event the Director or volunteer is uncomfortable speaking with the President, or the President is the subject of the concern, the individual should report his or her concern directly to the President-Elect of the Association.

- b. Timing: The earlier a concern is expressed, the easier it is to take action.

Section 6.06 Step Two: Process for Handling the Reported Concern

The action taken by NMAR in response to a report of a concern under this policy will depend on the nature of the concern. All reported concerns will be forwarded to the Executive Committee of NMAR (in the event the individual who is the subject of the concern is a member of the Executive Committee, that individual will not be included) in accordance with the procedures set forth herein. The Executive Committee shall immediately notify the Executive Officer of a reported concern. The Executive Committee will be responsible for investigation and will make appropriate recommendations to the Board of Directors, with respect to all reported concerns.

The Chair of the Executive Committee, or the highest-ranking officer able to hear this concern, will notify the sender and acknowledge receipt of the concern within five (5) business days. It will not be possible to acknowledge receipt of anonymously submitted concerns. (amended 9/17)

All reports will be promptly investigated by the Executive Committee, and appropriate corrective action will be recommended to the Board of Directors, if warranted by the investigation. In addition, action taken must include a conclusion and/or follow-up with the complainant for complete closure of the concern.

The Executive Committee has the authority to retain outside legal counsel, accountants, private investigators, or any other resource deemed necessary to conduct a full and complete investigation of allegations.

Section 6.07 Disclaimer

The provisions of this Code of Ethics policy statement does not negate or minimize the effect or import of NAR's Code of Ethics, the Association bylaws and Policies, or the NMAR Staff policy. Individual complaints about the professional conduct of members or employees will be handled according to the governing documents of NMAR.

Article VII - DOCUMENT RETENTION

NMAR shall retain documents concerning its business practices as customary in the real estate industry, according to Montana law, and in compliance with the Records Retention Plan set forth in the Appendix. (amended 9/17, 10/22)

Article VIII LEADERSHIP BY OFFICERS AND BOARD OF DIRECTORS

Section 8.01 President

1. Function
Serve as the chief elected officer of the corporation; oversee the affairs of the association, with the assistance of association staff and other elected leadership.
2. Responsibilities
 - a. Preside at all Board of Directors meetings and executive committee meetings
 - b. Determine substance of the agenda for Board of Directors meetings and executive committee meetings
 - c. Appoint committees and select chairperson for all committees and task forces and monitor their progress
 - d. Keep membership and Board of Directors informed on the conditions and operations of the association and the real estate industry, and encourage involvement in the association
 - e. Serve as spokesperson for the association in conjunction with the Executive Officer
 - f. Conceptually approve the annual budget prepared by the Treasurer and the Budget and Finance Committee (BFC) in conjunction with staff, prior to submission to the Board of Directors for approval
 - g. Direct the Board of Directors in formulating policies and programs that will further the goals and objectives of the association and its strategic plan
 - h. Conduct an annual review of the organizational performance and association effectiveness, including a review of the Executive Officer's performance with the Executive Committee.
 - i. Monitor expenditures in conjunction with the Treasurer to assure operation within the annual budget

- j. Work with Executive Officer in handling some internal administrative functions, while respecting EO's authority to handle management of staff and day-to-day operations
 - k. Work with EO in communicating with Board of Directors and resolving internal issues which may arise within the Board of Directors and/or within membership
 - l. Serve as a signatory on the association's bank account(s)
 - m. Represent the association at state and national functions
 - n. Fulfill the directives of the Board of Directors and membership
3. Meeting & Travel Obligations
- The President shall attend the following meetings and travel when needed and budgeted:
- a. NMAR Meetings: The President shall preside over all meetings of the local association.
 - b. MAR Meetings: The President shall attend all state association meetings as representative of the local association.
 - c. NAR Legislation Meetings and National Convention: The President may attend the NAR annual convention as representative of the local association if the budget approved by the Board of Directors allows for such travel. (amended 9/17)

Section 8.02 President-Elect

- 1. Function

Substitute for the President when the President is unavailable, as needed. Learn from the President and Past Presidents the functions and responsibilities of the position of President in anticipation of holding that office the following year.
- 2. Responsibilities
 - a. Fill in for the current President whenever needed and directed
 - b. Serve as a signatory on the association's bank account(s)
 - c. Chair of the Credential Review Committee. Coordinate and recruit candidates for the following year's election to the Board of Directors
 - d. Chair of the Bylaws and Policies Workgroup
 - e. Serve as Parliamentarian at Board of Directors meeting.
 - f. Works with the President to select vice-chair of each committee. (amended 10/22)
- 3. Meeting & Travel Obligations

The President Elect shall attend the following meetings and travel when needed and budgeted:

 - a. NMAR Meetings: The President-elect shall attend all meetings of the local association. The President-elect shall preside over all meetings of the local association in the President's absence.
 - b. MAR Meetings: The President-elect may attend state association meetings as a representative of the local association, and must attend at least one MAR Meeting before taking the office of President.
 - c. NAR Legislative Meetings, Leadership Summit and National Convention: The President-elect may attend the NAR meeting/s as representative of the local association if the budget approved by the Board of Directors allows for such travel. (amended 9/17)

Section 8.03 First Vice President

- 1. Function

Learn from the President and Past Presidents the functions and responsibilities of the position of President in anticipation of holding that office in two years.
- 2. Responsibilities

May serve as a signatory on the association's bank account(s)

Recruit candidates for the following year's election to the Board of Directors
- 3. Meeting & Travel Obligations

The First Vice President shall attend the following meetings and travel when needed and budgeted:

- a. NMAR Meetings: Attend all meetings of the local association.
- b. MAR/NAR Meetings: Shall attend MAR and/or NAR meetings as directed by the Board of Directors and authorized by the budget.
- c. Attend MAR's Leadership Development Conference
(amended 9/17)

Section 8.04 Secretary

1. Functions

Serve as the association's keeper of minutes and official documents. This is a two (2) year term.

2. Responsibilities

- a. Take official roll call at all association meetings
- b. Record votes at Board of Directors meetings
- c. Authorizes certain legal documents to be signed and sealed by appropriate parties
- d. Oversee that all minutes are maintained as approved by the Board of Directors
- e. Oversee distribution of minutes electronically by emailing and posting on the Board of Directors' page on the association website. Minutes are available to members by request.
(amended 10/22)
- f. Works with assigned staff on drafting of minutes
- g. Serve as a signatory on the association's bank account(s)
- h. Serve on the Bylaws and Policies Workgroup

3. Meeting & Travel Obligations

The Secretary shall attend the following meetings and travel when needed and budgeted:

- a. NMAR Meetings: The Secretary shall attend all meetings of the local association.
- b. MAR/NAR Meetings: The Secretary shall attend MAR and/or NAR meetings as directed by the Board of Directors and authorized by the budget.
(amended 9/17)

Section 8.05 Treasurer

1. Functions

Serve as the association's financial officer and chairperson of the Budget and Finance Committee. This is a two (2) year term. (amended 9/17)

2. Responsibilities

- a. Chair the Budget and Finance Committee
- ~~b.~~ Report on the financial condition of the association at Board of Directors and membership meetings.
- c. Work with staff and retained professionals (CPA) to oversee the financial aspect of the association business
- d. Regularly review the financial statements to ensure adherence to policies and annual budget
- e. Work with staff to prepare budgets and budget adjustments, and present to Board of Directors for approval
- f. Report annually to the General Membership of NMAR with a "State of the Finances Report."
- g. Arrange for signatories on accounts each year as the leadership changes according to established policy.
- h. Serve as a signatory on the association's bank account(s)

3. Meeting & Travel Obligations

The Treasurer shall attend the following meetings and travel when needed and budgeted:

- a. NMAR Meetings: The Treasurer shall attend all meetings of the local association

- b. MAR/NAR Meetings: The Treasurer shall attend MAR and/or NAR meetings as directed by the Board of Directors and authorized by the budget

Section 8.06 Board of Director Members

1. Functions

To be the governing Board of Directors of the association; to implement, oversee and maintain written policy to facilitate the administration of the association. At least five Directors will serve as a State Director, not to exceed allotted amount designated by MAR. (amended 10/22)

2. Responsibilities

- a. Collaborate with association leadership and membership to determine association's vision and strategic plan.
- b. Approve annual budget and requests for budget adjustments.
- c. Review and oversee functions of association business as implemented by staff.
- d. Provide staff instruction and authority to implement the strategic plan and directives of the Board of Directors.
- e. Serve as liaison to the membership, bringing membership concerns to the Board of Directors attention and relaying information from the Board of Directors to membership.
- f. Actively serve on committees and/or task forces as appointed by the association President.
- g. Encourage involvement in association leadership among members.
- h. Represent the virtues of being a REALTOR® member and uphold the Code of Ethics at all times
- i. Review and know the association governing documents, including the bylaws and policies, and be able to assist members in their use of the governing documents.
- j. Assist with member recruitment, retention and orientation.
- k. Collaborate with Board of Directors members, staff and members at large to identify and review current and new programs that impact member services.
- l. Work with staff in fostering effective and synergistic relationships with local government leaders and legislators, service providers, vendors, consultants, industry leaders, allied real estate groups, media and community groups.
- m. Assist staff with fundraising efforts.
- n. Those serving as State Directors represent the state association (MAR) and fulfill all responsibilities of a state director. (amended 10/22)

3. Meeting & Travel Obligations

- a. NMAR Meetings: Directors shall attend all meetings of the local association
- b. MAR Meetings: State Directors shall attend all state association meetings. (amended 10/22)

Section 8.07 Committee and Task Force Chairs & Members

1. Appointment & Composition

The President shall exercise discretion in appointing the Chair and the Vice Chair of each Committee, and the Chair of each Task Force. Chair and Vice Chair appointments shall be for one (1) year terms. No term limits. The Members to hold such positions should be recommended by each committee to the Association President, who has the discretion to appoint the individual(s) recommended by the committee or another person deemed qualified by the Association President, pursuant to the bylaws, and that appointment to be ratified by the Board of Directors. The only exception to the 1-year term is for the Professional Standards Committee, which is set at a two (2) year term for the Chair.

It should be the goal of the President to appoint a Chair (and Vice Chair) familiar with the Committee's mission and functions. After one year of service on a committee, a member will be

eligible to serve as the Vice Chair. The Vice Chair should move to the Chair position the following year. The retiring Chair should remain on the committee for an additional year to provide guidance. Chairs of Committees should make regular reports (in person or in writing) to the Board of Directors for review at their monthly meetings. Removal of a Committee Chair or member may be made at the recommendation of the President by a vote of the Board of Directors. (amended 10/22)

The Committee shall be comprised of volunteer members who indicate a desire to serve on the Committee, striving to have representation from Flathead, Lake and Lincoln Counties. These volunteers are subject to appointment by the President, and then ratification by the Board of Directors. Committee members serve staggering 3-year terms, limited to three (3) consecutive terms. Committee size should not exceed 20 members. New volunteers may apply and be considered for appointment throughout the year. (Adopted 2/16, amended 9/17, 2/1/19)

2. Functions

It shall be the function of the Committee Chair to lead committee meetings pursuant to the direction of the President and Board of Directors, pursuant to Roberts Rules of Order, and to fulfill goals and directives assigned to the Committee or Task Force. The Vice Chair shall fulfill the responsibilities of the Chair in the Chair's absence.

3. Responsibilities

It shall be the responsibility of the Committee Chair to:

- a. Preside at all committee meetings;
- b. Determine substance of the agenda for committee or task force meeting;
- c. Report the findings, conclusions or recommendations of the committee or task force to the Board of Directors; and
- d. Ensure that proper minutes and/or motions are prepared and presented to the Board of Directors (amended 2/1/19)

Section 8.08 Confidentiality

Officers and Board of Directors members shall not disclose, beyond its intended scope, any information which is marked, designated or treated as confidential by the Board, officers or staff and which the officer/director receives as a Director of NMAR.

Violation of this confidentiality may be terms for removal from the office.

The obligation to maintain confidentiality extends indefinitely beyond the elected individual's term of office or appointment.

Section 8.09 Conflict of Interest

Information, programs, research, services and methods of operation are developed by NMAR for all members and Officers and Directors are obligated to pass on this information to their constituencies. Therefore, the elected officers/directors shall not expropriate for themselves, or their business, or another organization any information received as a result of their position as a Director or Officer of NMAR, prior to disseminating this information to their constituencies.

The Officers/Directors shall not create any program that is in direct competition with an NMAR program including those programs that NMAR may develop in the future.

The Officers/Directors shall openly declare any actual or perceived conflict of interest that may result from them taking part in discussion or decision making on an issue before the association while having business, professional, or personal interests that could bias their decisions. The Board of Directors has the sole responsibility for determining whether an officer's or director's interests constitute a conflict and if so what the remedy will be.

Article IX - COMMUNICATIONS

Section 9.01 Staff to Coordinate

In an effort for consistency and proper notice, communications shall be coordinated by NMAR staff at the direction of the Board of Directors. Individual Board members should utilize the services of staff and refrain from distributing communications to members directly.

Section 9.02 Media Contact

Information provided by any member of NMAR that reflects any policy position of NMAR, MAR or NAR shall be first approved by the AE or the Board President and the appropriate chairperson or institute, society or council spokesperson.

Section 9.03 Official Notification to Members

In all cases where official notification of the membership is required, official notification shall be by direct mail or by email using the most current address information available in NMAR's membership files or the official notice may be posted on the NMAR Member's Only website if so directed by the Board of Directors. Notification in a newsletter format is sufficient if the newsletter is mailed by US mail or is emailed to all members.

Section 9.04 Mailing Lists & Email Distribution

1. Any NMAR member requesting a mailing list or membership roster must declare the purpose of the mailing list and agree, in writing, that the list shall be used only for that purpose and shall not be provided to any other person or entity under any circumstances. Staff may impose a reasonable charge for membership list or mailing labels.
2. NMAR will not broadcast emails to its members on behalf of other individuals or entities without prior approval of the AE. The AE shall determine if the email is of sufficient benefit to the membership before authorizing the email.

Section 9.05 Board Correspondence

Correspondence relating to business of the Board of Directors, committees, task forces, etc., shall originate from the NMAR office.

Article X - PROFESSIONAL DEVELOPMENT COMMITTEE

Section 10.01 Seminar / Course Cancellation

In order to maintain fiscal responsibility, the AE, President, Professional Development Committee Chairperson and the individual course manager are collectively authorized to cancel a scheduled class if such cancellation is necessary to minimize monetary loss to NMAR.

Section 10.02 Education Voucher

The Professional Development Committee shall set the price of an education voucher annually before the budgeting process is concluded and shall convey that information to the Budget & Finance Committee. Education voucher are non-transferrable and non-refundable.

Section 10.03 Deans / Reporting of Attendance

The Professional Development Committee shall furnish Deans for all accredited continuing education courses and shall act to keep students in compliance with BRR standards for attendance and reporting. The NMAR staff will ensure earned continuing education credits are accurately recorded. (amended 10/22)

Section 10.04 Types of Courses

The Professional Development Committee shall endeavor to plan for speakers who will remain focused on learning and not merely on selling their products or services.

Section 10.05 Attendance per BRR Rules – No Credit / No Refund

Students who do not attend the required classroom time as set by BRR will not be issued credit for attendance and will not be given a refund.
(amended 1/19)

Article XI - PROFESSIONAL STANDARDS COMMITTEE

Section 11.01 Composition & Leadership

The Professional Standards Committee is composed of the Grievance Committee, the Hearing Panel Committee, and the Mediation/Ombuds Committee. The Chair and Vice Chair shall be appointed by the Association President for a two (2) year term pursuant to Section 8.07. To serve as either Chair or Vice Chair the Member should have served on the Professional Standards Committee for at least three (3) years.
(amended 2/16)

Section 11.02 Grievance Committee

1. The Grievance Committee shall be composed of no less than seven members who serve three-year staggered terms.
2. Members of the Grievance Committee shall attend at least one Professional Standards training program per year if offered.

Section 11.03 Hearing Committee

1. The Hearing Panel Committee shall be composed of no less than seven (7) and no more than two-hundred (200) members who serve three-year staggered terms.
2. Hearing Panel Committee Members shall attend at least one Professional Standards or Code of Ethics training program per year if offered.

Section 11.04 Mediation / Ombuds Committee

1. The Mediation/Ombuds Committee shall be comprised of Members who have completed the NAR Mediation Training.
2. Mediation/Ombuds Committee Members are encouraged to use their mediation skills, volunteer to serve as mediators and ombuds at NMAR, and to attend continuing education as available.

Section 11.05 Administration & Escrow Account

1. Professional Standards Procedures shall be administered by a certified administrator and shall comply with the NAR CEAM as updated annually.
2. The Administrator shall determine if Legal Counsel should attend any particular hearing.
3. The Administrator shall retain all records with confidentiality protecting the privacy of all parties.
4. The Administrator shall maintain an Escrow Account for use in Professional Standards Proceedings as set forth and governed by the NAR CEAM, and the AE of the Association shall be the signatory on said Escrow Account. The Account shall be at an FDIC insured institution located in Kalispell, Montana. (Amended 2/16)

5. Destruction of old cases shall include shredding of all materials upon ordered destruction date as determined by the Hearing Panel, and/or applicable laws.

(amended 10/22)

Section 11.06 Transcription

A Court Reporter or recording device shall be used for all hearings. Request for copies will be distributed per CEAM procedures. (amended 10/22)

Section 11.07 Fees

1. The fees shall be set according to the NAR CEAM and established annually by the Board of Directors.
2. Any member found in violation of the Code of Ethics shall pay the applicable administrative fee.
3. The non-prevailing party to an Arbitration Hearing shall forfeit the applicable arbitration fee.
4. The deposits made per the NAR CEAM shall pass into the general treasury of the Board, which shall be maintained by the Professional Standards Administrator. (amended 10/22)

Section 11.08 Procedures Policy

The Northwest Montana Association Of REALTORS® adopts the most current Code of Ethics and Arbitration Manual of the National Association Of REALTORS® subject to the provisions which shall replace, modify or amend, as may be applicable, the provisions set forth in said NAR CEAM (amended 9/17, 10/22)

Section 11.09 Ombuds Program

The definition of Ombuds for REALTORS® – The purpose of the Ombuds is to provide a knowledgeable, informed contact when REALTOR® members or members of the public have real estate related questions that have not been addressed by an individual broker.

The role of the Ombuds is to identify and attempt to facilitate a resolution of misunderstandings and/or disagreements before matters evolve into a formal complaint.

1. Role of the Ombuds

The Ombud's role is primarily one of communication and conciliation, not adjudication. Ombuds do not determine whether ethics violations have occurred; rather, they anticipate, identify, and resolve misunderstandings and disagreements before matters ripen into disputes and possible charges of unethical conduct.

2. Qualifications and Criteria for Ombuds

- a. 10 or more years of real estate experience or 5 or more years of real estate experience including additional qualifications such as experience in dispute resolution.
- b. Ombuds must be familiar with the NAR Code of Ethics, state real estate regulations, and current real estate practice.
- c. Ombuds must serve on the Professional Standards Committee.
- d. Ombuds are required to take Ombuds & Professional Standards Training on an annual basis if offered.
- e. Ombuds do not receive compensation for their services as Ombuds.
- f. Ombuds are required to complete an application detailing their experience levels and are selected by the President in conjunction with the association's Chief Executive Officer.
- g. The Association will make every effort to incorporate Ombuds from a variety of real estate specialties.
- h. There shall be a minimum of five Ombuds for the association.
- i. Ombuds are appointed for terms of three year however, there is no maximum number of years the member can serve as an Ombuds.

- j. Ombuds will meet a minimum of once per calendar year to discuss the program and determine if any policy changes are required. If so, the Ombuds will forward those changes to the Professional Standards Committee. Upon approval by the Professional Standards Committee, those changes shall be forwarded to the NMAR Board of Directors for ratification.

3. The Ombuds:

- a. Listens to the complainant's concerns.
- b. Ascertains complainant's desired outcome (revocation of licenses, sanctions, apology, money, etc.).
- c. Fields and responds to a wide variety of inquiries and complaints, including general questions about real estate practice, transaction details, ethical practice, and enforcement issues.
- d. Explains possible avenues that might resolve the issue or reach the desired outcome
- e. Answers general questions and/or procedural questions and explains the formal ethics complaint process.
- f. In cases where an Ombuds believes that a failure of communication is the basis for a question or complaint, the Ombuds can arrange a meeting of the parties and assist in facilitating a mutually acceptable resolution.
- g. Contacts the potential respondent to explain the complainant's concerns and desired outcome.
- h. Tries to bring resolution.
- i. Reports back to the complainant.
- j. Explains the complainant's rights after the completion of the ombuds process.
- k. Where a written ethics complaint in the appropriate form is received by NMAR, it can be initially referred to the Ombuds who will attempt to resolve the matter, except that complaints alleging violations of the public trust (as defined in Article IV, Section 2 of the NAR Bylaws) may not be referred to an Ombuds.
- l. In the event the Ombuds concludes that a potential violation of the public trust* may have occurred, the ombuds process shall be immediately terminated, and the parties shall be advised of their right to pursue a formal ethics complaint; to pursue a complaint with any appropriate governmental or regulatory body; to pursue litigation; and/or to pursue any other available remedy.

**For purposes of these policies, a potential violation of the public trust is "demonstrated misappropriation of client or customer funds or property, willful discrimination, or fraud resulting in economic harm."*

4. Errors & Omissions Coverage

Ombuds are covered through the NAR insurance program, as long as they are acting within the coverage limits described in the insurance policy.

5. Confidentiality

All communications made to the Ombuds or the Northwest Montana Association of REALTORS® whether written or oral, shall be confidential and may not be disclosed (other than communicating information and results between staff and the Ombuds) to any other person for any reason. The Ombuds opening statement shall confirm the parties understanding of this prior to discussing the issue. The allegations, discussions and decisions made in ombuds proceedings are confidential and shall not be reported or published by the board, any member of a tribunal, or any party under any circumstances except those established in the NAR CEAM as from time to time amended.

Furthermore, it is NMAR's policy that Ombuds cannot be called as a witness as part of any future ethics complaint by the complainant or respondent in the matter in which they attempted to

resolve in their role as an Ombuds. This fact shall also be made known to the parties during the Ombuds opening statement.

6. Resolution of Complaints

If a matter complained of is resolved to the satisfaction of the complainant through the efforts of an Ombuds, the formal ethics complaint brought initially (if any) will continue to be processed until the complainant has officially withdrawn the complaint.

7. Failure to Comply with an Agreed Upon Resolution

Failure or refusal of a member to comply with the terms of a mutually agreed on resolution shall entitle the complaining party to resubmit the original complaint or, where a formal complaint in the appropriate form had not been filed, to file an ethics complaint. The time the matter was originally brought to NMAR's attention will be tracked by the board's professional standards administrator and the 180 day filing deadline shall be suspended from the date of the complainant's (or potential complainant's) request for informal dispute resolution service or assistance and shall resume when the informal dispute resolution procedures are concluded or terminated. This information shall be provided to the Grievance Committee for purposes of determining whether an ethics complaint is timely filed.

8. Options after an Unsuccessful Ombuds Process

- a. The complainant may file a formal ethics complaint.
- b. The complainant may obtain legal advice.
- c. The complainant may file a formal complaint with the Montana Board of Realty Regulation
- d. The complainant may be offered mediation after a Request and Agreement to Arbitrate is filed.
- e. The complainant may seek outside mediation services.

* Please note, if a member serves as an Ombuds and the issue is not resolved through the Ombuds process, that member will be precluded from serving in any of the formal processes available through the association (i.e. ethics tribunal, mediation, etc.) with respect to that complaint.

9. The following types of cases can be handled through the Ombuds Process:

- a. Uncomplicated.
- b. Communication based.
- c. Non-or small monetary amount.
- d. May be solved by providing simple education.
- e. May be solved by providing basic knowledge.

10. The following types of cases cannot be handled through the Ombuds Process:

- a. Apparent violations of law.
- b. Fair housing or discrimination issues.
- c. Those already referred to legal counsel, a subject of a Montana Board of Realty Regulation investigation.
- d. A REALTOR® vs. REALTOR® arbitration which shall be handled by the association's mediator.
- e. Large monetary amounts.
- f. Complex cases.
- g. Cases involving more than two parties.
- h. Blatantly unreasonable or uncooperative parties.

11. The goal of the ombuds process is as follows:

- a. Defuse the situation and emotions.
- b. Clarify the issues.
- c. Deal with the facts.
- d. Deal with only the essential elements of the dispute.
- e. Avoid irrelevant, inflammatory elements.
- f. Resolve the dispute in such a manner that both parties can view the resolution as helpful.

12. The responsibilities of the Ombuds are to:
 - a. Acknowledge receipt of the request from the association to serve as an Ombuds in a complaint.
 - b. Call the complainant within forty-eight (48) hours of receipt of the complaint.
 - c. Make two-three attempts to reach the parties prior to closing the file.
 - d. The Ombuds will notify the AE within forty-eight (48) hours of closing the file.
 - e. After all materials relating the complaint have been sent to the association, shred all materials or return them to the association for proper disposal.
 - f. If you feel the complaint is centered on a field of real estate you are not familiar (i.e. Commercial), contact the association and have an Ombuds appointed who can field that type of complaint.

13. Discrimination Issues

Ombuds should not get into a discussion over areas of discrimination but should let the complainant or respondent know that discrimination is a serious problem and that it should be reported to the proper authorities.

(amended 10/22)

Article XII - STAFF

Section 12.01 Defined

Staff shall include all persons employed by NMAR. They include, but are not limited to, the Association Executive (AE), Member Services, Professional Development Director and Accounts Management Services, Public Affairs Director, Communication Director and others as deemed necessary by the AE. (amended 9/17, 10/22)

Section 12.02 Management and Supervision

1. Authority of the AE
 - a. The AE shall be responsible for the management and supervision of all staff. This shall include hiring, assigning tasks, supervising performance, determining compensation, and performing performance reviews.
 - b. The AE has the discretion to discharge an employee.
 - c. The AE has the authority to sign contracts on behalf of NMAR, pursuant to authorization granted by the Board of Directors. All contracts signed by the AE and/or elected officers ~~and~~ are to be maintained by the AE.
2. Personnel Files
 - a. Personnel files for each employee shall be maintained by the AE.
 - b. Personnel files are confidential and shall only be viewed by the current NMAR President, AE, and any Director so approved by motion of the Board of Directors.
3. Office Policy
 - a. The AE shall adopt and maintain an office policy for NMAR.
 - b. The AE shall keep employees informed and up to date on such policy document and any changes thereto.
4. Wages
 - a. The AE shall recommend a line-item payroll wage amount to the Board of Directors during the annual budgeting process.
 - b. The AE shall set the wages of the employees within the budgeted payroll.
5. Contracted Employees
 - a. The employment of the Association Executive (AE) shall be according to a written employment contract for a specified term.

- b. The hiring of the AE shall be performed by a Hiring Committee consisting of representatives of both the NMAR and NMAR MLS Boards. The Boards may delegate authority for negotiating the AE employment contract to the Hiring Committee.
- c. The evaluation of the AE shall be performed by the Evaluation Committee consisting of the NMAR President, President Elect, Immediate Past President, Treasurer, and first Vice President. The Evaluation Committee gathers input from both the NMAR and NMAR MLS Boards through a survey.
- d. AE employment contract updates shall be performed by the Evaluation Committee. The proposed contract shall be reviewed and approved by the entire Board before signature. The Evaluation Committee has the authority to renew the contract on behalf of the Board.
- e. A copy of employment contracts shall be maintained by the AE in the employee's confidential personnel file. (amended 8/23)

Section 12.03 Anti-Harassment

1. All NMAR Members and elected leadership shall treat the staff in compliance with labor laws and adopted policies of NAR and the Association.
2. No harassment of an employee of any kind shall be tolerated, and the Board of Directors shall take action to investigate and stop any such behavior or conduct.
3. NMAR's bylaws and NAR's recommended guidelines shall be the resource and the policy for this concern or any harassment of employees.
4. Anyone who violates this policy may be sanctioned accordingly.

Section 12.04 Legal Counsel / CPA

1. NMAR may use the services of a legal counsel and a CPA as budgeted annually.
2. The AE has the authority to consult with legal counsel and/or the CPA as needed and as allowed in the budget.

Section 12.05 Resignation of Association Executive ("AE")

NMAR's Board of Directors shall retain the services of a CPA to audit/reconcile the financial records after an AE resigns or otherwise leaves the employment of NMAR. (amended 9/17)
(amended 10/22)

Article XIII - FINANCIAL MANAGEMENT

This statement of financial management has been adopted by the Board of Directors of NMAR to provide guidelines for financial management of funds held by the association. (amended 9/17)

Section 13.01 Financial Management

The financial management of NMAR shall be the responsibility of the AE and the Board of Directors, with the advice of the Budget and Finance Committee (BFC), which shall be chaired by the current Treasurer and comprised of the current officers (President, President-Elect, Secretary, Treasurer, First Vice President), and immediate Past Treasurer and immediate Past-President. (amended 6/22)

Section 13.02 Procedures

Sound fiscal policy and sound business practice go hand-in-hand. It is the responsibility of the Treasurer, with the assistance of the AE, to establish and maintain sound financial management practices, which includes checks and balances.

Section 13.03 Signature Policy

The signatories on the Association bank accounts shall be the current Officers of the Association and the AE. Two signatures by officers shall be required for amounts over \$1,500.00. Electronic signatures are allowed with secured third-party vendor. All payments originating solely from NMAR staff will be documented and presented to the treasurer quarterly. (amended 6/22)

Section 13.04 Received Payments

Received payments will be processed by accounts management, reviewed by AE, and taken to the financial institution for deposit by an employee who did not create the deposit. (amended 9/17)

Section 13.05 Disbursements

Those who are authorized to sign checks shall review the receipts and disbursements before signing any check.

The AE may pay bills and invoices electronically, with prior authorization by one of the officers of the corporation authorized to sign checks, who shall review the invoice or bill prior to payment.

Section 13.06 Budgeting

The Board of Directors shall not approve a budget which reflects a net operating loss unless excess reserve funds are available to recover the shortfall. The various NMAR Committees' budget requests must be submitted to the Budget & Finance Committee prior to the BFC's first meeting to develop a proposed budget for the following year. BFC budgeting process begins no later than August. (amended 9/17)

Section 13.07 Receipts Required for Reimbursement

Any member using Association funds for an Association sponsored activity must produce receipts for every item that the money was used for and the receipts turned in to the Association office as soon as possible and no later than within 30 days. Receipts turned in later than 30 days may or may not be reimbursed. No receipt of 30 days or older will be reimbursed. (amended 6/22)

Section 13.08 Unbudgeted Expenses

Any unbudgeted expense items approved by the Board get added to the current year budget under the appropriate program. The costs must be clearly delineated and addressed. (amended 6/22)

Section 13.09 Donations

Expenditure or donations of NMAR funds made to any religious, philanthropic or civic organizations need the approval of the PR Committee (with approval of the AE) or the Board of Directors. Any such requests must be made in writing, presented at a PR committee meeting and shall be granted only if within and according to budget. PR and the Board must keep in mind the purpose of the requesting entity and the recipient entity corporations and all Association expenditures must match the purpose of the corporation because as a "not-for-profit" corporation, expenditures not matching the Association's purpose could jeopardize the standing of the corporation. Expenditures shall not be made if they are in conflict with the Association's purpose.

Section 13.10 Returned Checks

For all returned checks, all bank charges shall be passed through to the Maker of the check and shall be paid in full by the Maker/Member. A three-step process shall be used for checks returned by financial institutions:

Step One: Maker shall be contacted by phone or email by AE or designated staff;

- Step Two: Maker shall pay, in full, their account within three (3) business days from date of notification in Step One. If not paid on time, member services may be discontinued and/or membership terminated.
- Step Three: Maker shall be required to pay all subsequent payments and any and all fees, if any are due, by cash, cashier's check or money order for the balance of that calendar year. (amended 9/17)

Section 13.11 Financial Documents

The Treasurer and the President shall have access to the bookkeeping records at any time. The records are maintained at the corporate office. Board of Director Members shall have access to review the financial records of the Association by appointment during regular business hours. Members may be granted access to financial records by authorization of the Board of Directors. Members shall not be allowed to remove financial documents from NMAR office premises. Permission from the AE (or in the absence of the AE, the President) is required to photocopy any financial documents. A written request must be made stating why the copies are needed and how privacy will be protected. The last filed 990 Tax Form is available for public review with an appointment with the AE during regular business hours. Copies will be provided at \$.15 per page. Form 990 is prepared for the Northwest Montana Association of REALTORS® only.

Section 13.12 Professional Review of Books

A full review of the Association's bookkeeping and financial records is done by a CPA firm on an annual basis after the close of the Fiscal Year and at such times as requested by the Board of Directors. The Board may retain the services of a CPA to perform an audit as governed by Generally Accepted Accounting Principles (GAAP). Whenever the AE leaves employment, an audit or review, as directed by the Board of Directors, of the books shall be conducted at the next available opportunity. (amended 9/17)

Section 13.13 Payroll

All payroll and payroll tax functions shall be prepared by an outside source recommended by the Budget and Finance Committee and retained by the Board of Directors.

Section 13.14 Credit Cards

1. The Board of Directors shall authorize the AE to have at least one credit card in the corporation's name. The AE may authorize other employees to possess a corporate credit card, with spending limits of \$5,000 or less. No Board member or officer shall be issued a corporate credit card. (amended 3/24)
2. Corporate credit card(s) shall be used to pay for only corporate business expenses. Personal charges of any employee shall never be allowed on the credit card. It is the intention of the corporation that corporate credit cards be used for employee travel, purchases of office supplies, and for expenses arising from corporate programs, whenever practical. All "benefits" accrued from use of corporate credit cards (e.g., cash-back, points, airline miles, etc.) shall be the property of and only redeemed by the corporation.
3. All monthly credit card statements shall be reviewed by the AE, who shall direct how each charge shall be allocated to budget/financial categories for accounting purposes. The corporate Treasurer and any member of the Budget and Finance Committee shall have access to all credit card statements. The AE or the BFC shall have the authority to dispute any credit card charges with the credit card company. The statement must be paid in full on a monthly, timely, basis. The credit card may be paid electronically by the AE after review and approval of the charges thereon by the corporate Treasurer or any member of the Budget and Finance Committee (i.e., those with signatory authority on the corporate bank account).
4. The corporate credit card may be used for the subsidiary corporation's expenses (MLS) as set forth in the MLS credit card policy, however, all such charges must be billed to the MLS and reimbursed

to the corporation and should be paid by the MLS to the corporation prior to the credit card statement's due date. Should the MLS fail to make timely payment for any credit card charges, the corporation may discontinue allowing charges to be made to its credit card.

5. The AE shall cancel all credit cards from any employee whose employment is terminated. The AE shall relinquish all credit cards to the corporate Treasurer upon termination of employment and upon request of the Board of Directors.

Article XIV - INVESTMENTS

For the purposes of managing investment risk and to optimize investment returns within acceptable risk parameters, the funds held will be divided into four separate investment pools. The process for determining the dollar amount in each pool is set forth in the "Procedures" section of this document. The four investment pools shall be called the "Operating Account," the "Payroll Account," the "Operating Reserves," and the "Excess Reserves." (amended 9/17)

The following procedures will be followed to ensure the financial management policy statement is consistent with the current mission of NMAR and accurately reflects the current financial condition.

Section 14.01 Annual Review by BFC

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

Section 14.02 Federally Insured Depositories; Ratings

All monies shall be kept in FDIC and FCUA-insured accounts at financial institutions that are supportive of the Association. No more than the amount current insured by FDIC or FCUA shall be deposited in an FDIC or FCUA-insured account at any institution.

The monies shall be invested in financial institutions which enjoy a "safe" or "secure" rating from a rating agency acceptable to the Board of Directors (e.g. bankrate.com's 3-star rating or better). Should the rating of the financial institution fall below the 3-star rating (or equivalent) the Board of Directors shall transfer those funds to a more secure financial institution.

Section 14.03 Authorization to Borrow

Authorization to borrow is required by both the Budget and Finance Committee and the Board of Directors.

Section 14.04 Determination of Amounts for Funds

The following procedures will be used to determine the dollar amounts to be placed in the Operating Reserves and Excess Reserves.

1. Dollars not specifically designated for the Operating Reserves, will be restricted to investments designated in the "Investment Guidelines" for the Operating Account.
2. The target amount for the Operating Reserves is designated at an amount equal to 75% of current year's budgeted expenses, not including unbudgeted items added throughout the year. (amended 6/22)
3. The Budget and Finance Committee will recommend to the Board of Directors via the annual budget process the dollar amounts to be placed in the Excess Reserves.
4. The Board of Directors will have final approval of the dollar amounts placed in specific funds.

5. The services of an investment consultant may be sought to manage portions of NMAR funds. The Budget and Finance Committee will recommend the hiring or replacing of an investment consultant to the Board of Directors, who shall have final approval.
(amended 9/17)

Section 14.05 Prohibited Investments

It is the policy of the Board of Directors that the following types of investments are prohibited:

1. unregistered or restricted stock
2. private placements
3. Initial Public Offerings
4. Options
5. futures trading
6. short sales
7. margin trading

Section 14.06 Issues & Mobilization Fund (IMF)

NMAR holds in trust funds designated "Issues and Mobilization Funds." NMAR shall not access these funds for any purpose, unless authorized by the Trustees of IMF. The designation of net assets to equal the bank balance maintained for Issues & Mobilization Fund Account. (amended 9/17)

Section 14.07 Operating Account

1. Purpose
The purpose of the Operating Account is to provide sufficient cash to meet the financial obligations of the NMAR in a timely manner.
2. Investment Objectives
 - a. The investment objectives of the Operating Account are:
 - b. Preservation of capital;
 - c. Liquidity; and
 - d. To optimize the investment return within the constraints of the policy.
3. Investment Guidelines
 - a. Allowable Investments
The Budget and Budget and Finance Committee shall be authorized to invest the NMAR Operating Account as follows:
 - i. Checking accounts in U.S. federally insured banks, credit unions and savings and loans not to exceed federally insured amounts;
 - ii. Money market funds that invest in U.S. Government backed securities;
 - iii. Federally insured certificates of deposit not to exceed \$100,000 per institution;
 - iv. Direct obligations of the U.S. Government, its agencies and instrumentalities; and
 - v. Repurchase agreements in conjunction with bank sweep accounts collateralized by U.S. Government obligations.
4. Maturity
The maturities on investments for the Operating Account shall be limited to one year or less.
5. Reporting
The Treasurer shall prepare the following reports for presentation on at least a quarterly basis to the Board of Directors:
 - a. Schedule of investments,
 - b. Interest income year to date. (amended 9/17)

Section 14.08 Payroll Account

1. Purpose

The purpose of the Payroll Account is to provide sufficient cash to meet the payroll obligations of NMAR for a six (6) month period. (amended 10/22)

2. Investment Objectives

- a. The investment objectives of the Payroll Account are:
- b. Preservation of capital;
- c. Liquidity; and
- d. To optimize the investment return within the constraints of the policy.

3. Investment Guidelines

a. Allowable Investments

The Budget and Budget and Finance Committee shall be authorized to invest the NMAR Payroll Account as follows:

1. Checking accounts in U.S. federally insured banks, credit unions and savings and loans not to exceed federally insured amounts; and
2. Money market funds that invest in U.S. Government backed securities;

4. Maturity

The maturities on investments for the Payroll Account shall be limited to one year or less.

5. Reporting

The Treasurer shall prepare the following reports for presentation on at least a quarterly basis to the Board of Directors:

- a. Schedule of investments,
- b. Interest income year to date. (amended 9/17)

Section 14.09 Operating Reserves

1. Purpose

The purpose of the Operating Reserves is to provide approximately one year of operating reserves to meet expenses of the NMAR in the event of a significant budget shortfall.

2. Investment Objectives

The investment objectives of the Operating Reserves are:

- a. Preservation of capital;
- b. Liquidity; and
- c. To optimize the investment return within the constraints of the policy.

3. Investment Guidelines

a. Allowable Investments

The Budget and Budget and Finance Committee shall be authorized to invest the NMAR Operating Reserves as follows:

1. Checking accounts in U.S. federally insured banks, credit unions and savings and loans not to exceed federally insured amounts;
2. Money market funds that invest in U.S. Government backed securities;
3. Federally insured certificates of deposit not to exceed \$100,000 per institution;
4. Direct obligations of the U.S. Government, its agencies and instrumentalities; and
5. Repurchase agreements in conjunction with bank sweep accounts collateralized by U.S. Government obligations.

4. Maturity

The weighted average maturity for the Operating Reserves shall be limited to one year or less.

5. Reporting

The Treasurer shall prepare the following reports for presentation on at least a quarterly basis to the Board of Directors:

- a. Schedule of investments,
- b. Interest income year to date,
- c. Current yield.

Section 14.10 Excess Reserve Funds

1. Purpose
 - a. The purpose of the Excess Reserve Fund is as follows:
 - b. To reduce membership cost and fees,
 - c. To set aside funds for capital improvements and legal expenses,
 - d. To meet the expenses occurring as the result of unanticipated activities,
 - e. To improve the return on funds held for expenditure over the next one to five years, and
 - f. To manage investment risk. (amended 9/17)
2. Investment Objectives
 - a. The investment objectives of the Excess Reserve Fund are:
 - b. Preservation of capital;
 - c. To optimize the investment return within the constraints of the policy; and
 - d. Liquidity.
(amended 9/17)
3. Investment Guidelines
 - a. Allowable Investments
The Budget and Budget and Finance Committee shall be authorized to invest the NMAR Investment Fund as follows:
 1. Checking accounts in U.S. federally insured banks, credit unions and savings and loans not to exceed federally insured amounts; (amended 6/22)
 2. Money market funds that invest in government-backed securities;
 3. U.S. Federally insured certificates of deposit not to exceed \$100,000 per institution;
 4. Direct obligations of the U.S. Government, its agencies and instrumentalities;
 5. Commercial paper rated A-1/P-1 by Standard & Poor's and Moody's; and
 6. Corporate notes with a minimum rating of investment grade by one rating service.
4. Maturity
The Excess Reserve Fund shall have a weighted average maturity of five years or less.
5. Diversification
No more than 5% at cost of the Excess Reserve Fund may be in the securities of any one issuer with the exception of obligations of the U.S. Government, its agencies and instrumentalities; repurchase agreements collateralized by obligations of the U.S. Government, its agencies and instrumentalities; mutual funds and federally insured certificates of deposit. (amended 9/17)
6. Reporting
The Treasurer shall prepare the following reports for presentation on a monthly basis to the Board of Directors:
 - a. Schedule of investments,
 - b. Interest income year to date, and
 - c. Current yield.
(amended 9/17)

Section 14.11 Escrow Account

The purpose of the Escrow Account is to be a "holding account" for fund deposited with the Association as part of a Professional Standards proceeding, pursuant to the CEAM. It shall be used for no other purpose. The signatory on the Account shall be the AE. The account shall be at an FDIC insured institution located in Kalispell, MT.

Article XV - TRAVEL BY LEADERSHIP

Annually the Board of Directors shall adopt a Travel Policy which shall be a separate document but is wholly incorporated herein.

Article XVI - ADOPTION, AMENDMENTS AND DURATION

Section 16.01 Policy Reviewed/Ratified by Board of Directors Annually

All statements of policy shall be presented to the NMAR Board of Directors to review and accept annually at the first meeting after the officers and newly elected Directors take their oath of office. (amended 10/22)

Section 16.02 Policy In force for Presidential Term

This policy shall be in force for the Presidential term or portion thereof in which it was approved, except all policy statements shall remain in full force until the succeeding Board of Directors has implements desired changes, if any.

Section 16.03 Policy Drafted or Generated Outside of Board of Directors

Any policy statement drafted or generated outside the Board of Directors shall be referred to the Bylaws and Policies Committee or to the Board of Directors for inclusion in the policy document.

Section 16.04 Amendments

Amendments may only be considered by motion at an officially noticed meeting of the Board of Directors, and shall be made by vote of the Board of Directors.

APPENDIX – RECORDS RETENTION PLAN

RECORD CATEGORY	DESCRIPTION	MANNER OF RECORD KEEPING	RETENTION PERIOD	DISPOSITION
GENERAL	Correspondence	Compile & store in appropriate files; in compliance with general corp. filing guidelines	7 years	Digitally archive only corresp. Important to business; shred balance
	Accounts payable, ledgers/schedules	Compile and file on annual basis	7 years. Store with financial records	Archive w/ financial records and shred
	Accounts receivable, ledgers/schedules	Compile and file on annual basis	7 years. Store with financial records	Archive w/ financial records and shred
	Annual Info from returns (IRS forms)	3 most recent years kept on site and available to public as part of 990 form	Permanent – store with financial records	Not applicable
	Audit Reports	Compile and file on annual basis	7 years. Store with financial records	Archive w/ financial records and shred
	Bank Statements and reconciliations	Compile and file on annual basis	7 years. Store with financial records	Archive w/ financial records and shred
	Cash books	Compile and file on annual basis	7 years. Store with financial records	Archive w/ financial records and shred
	Chart of accounts	Compile and file on annual basis	7 years. Store with financial records	Archive w/ financial records and shred
	Cancelled checks	For important pymts (taxes, purchases of property, etc) checks filed with papers pertaining to underlying transaction. Otherwise, compile and file on annual basis	7 years. Store with financial records	Archive w/ financial records and shred
	Depreciation schedules	Compile and file on annual basis	7 years. Store with financial records	Archive w/ financial records and shred
	Duplicate deposit slips	Compile and file on annual basis	7 years. Store with financial records	Archive w/ financial records and shred

RECORD CATEGORY	DESCRIPTION	MANNER OF RECORD KEEPING	RETENTION PERIOD	DISPOSITION
	Expense analyses and distribution schedules	Compile and file on annual basis	7 years. Store with financial records	Archive w/ financial records and shred
	Year-end financial statements	Compile and file on annual basis	Permanent. Store with financial records	Not applicable
	Gen'l/private ledgers, year-end trial balances	Compile and file on annual basis	7 years. Store with financial records	Archive w/ financial records and shred
	Journal entries	Compile and file on annual basis	7 years. Store with financial records	Archive w/ financial records and shred
	Notes receivable, ledgers & schedules	Compile and file on annual basis	Permanent. Store with financial records	Not applicable
	Payroll records and summaries	Compile and file on annual basis	Permanent. Store with financial records	Archive w/ financial records and shred
	Petty cash vouchers	Compile and file on annual basis	7 years. Store with financial records	Archive w/ financial records and shred
	Property records, including costs, deprec. Reserves, schedules, blueprints, plans	Compile and file on annual basis	Permanent. Store with financial records	Not applicable
	Tax returns, worksheets, and revenue agent's reports	Compile and file on annual basis	Permanent. Store with financial records	Not applicable
	Time cards	Compile and file on annual basis	7 years. Store with financial records	Archive w/ financial records and shred
	Vouchers (invoices) for payment to vendors and employees (including reimb. for employees and officers/directors)	Compile and file on annual basis	7 years. Store with financial records	Archive w/ financial records and shred
	Withholding tax statements	Compile and file on annual basis	7 years. Store with financial records	Archive w/ financial records and shred
GOVERNANCE	Board of Directors minutes, notes and reports from all years	Compile and file on annual basis	Permanent. Store with financial records	Not applicable

RECORD CATEGORY	DESCRIPTION	MANNER OF RECORD KEEPING	RETENTION PERIOD	DISPOSITION
	Governing Documents (articles, bylaws, amendments, etc)	File documents with other corporate records	Permanent. Store with financial records	Not applicable
GRANTS	Proposals, original contract agmts, supporting data, accounting/financial docs, invoices, correspondence	Compile and file on annual basis	7 years. Store with financial records	Archive w/ grant records and shred after retention period
HUMAN RESOURCES	Employment apps.	Compile and file on annual basis	7 years. Store with financial records	Archive w/ financial records and shred
	Personnel files (current)	Compile and file on annual basis	Permanent. Store with human resource records	Not applicable
	Personnel files (from date of termination)	Compile and file on annual basis	Permanent. Store with human resource records	Not applicable
	Retirement and pension records	Compile and file on annual basis	Permanent. Store with human resource records	Not applicable
	Insurance policies (expired)	Compile and file on annual basis	Permanent. Store with human resource records	Not applicable
	Insurance records (current accident reports, claims)	Compile and file on annual basis	Permanent. Store with human resource records	Not applicable
	Garnishments	Compile and file on annual basis	7 years. Store with financial records	Archive w/ financial records and shred
WHISTLEBLOWER	Records relating to employee complaints or concerns pursuant to the Association's whistleblower policy	Compile and file on annual basis	7 years, notwithstanding any shorter period provided above for the particular category of the document; Store with other whistleblower records	Unless otherwise provided above for the particular category of document, shred at the end of the retention period.