

CAAR POLICY & PROCEDURES MANUAL

Charlottesville Area Association of REALTORS®



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1. PURPOSE

The purpose of Charlottesville Area Association of REALTORS® (CAAR) Policy & Procedures Manual is to supplement the Bylaws in governing the administration and operation of the Association. These policies comprise the operational framework in which the association functions and shall guide volunteer leaders and staff in implementing the strategic objectives of the association as described in the duly adopted CAAR Strategic Plan. Where this document is silent, CAAR staff and leadership shall have authority to initiate actions, processes and programs in the interest of serving association members, within the confines of the Bylaws and the Code of Charlottesville Area. This manual may be amended only by action of the Board of Directors at a duly called meeting.

Where the term “**committee**” or “**group**” is used in this manual it is meant to describe any organized body of the Association (committee, sub-committee, group, workgroup, forum, council, chapter, and any other term used to identify a body composed of CAAR members which has been created by the Association).

Wherever the pronouns he/she/they are used, it is intended to express neutral gender.

2. POLICIES GOVERNING CONDUCT OF BUSINESS

2.1. Adherence to NAR Policy. The Association of REALTORS® adopts, supports, and enforces the membership policies of the NATIONAL ASSOCIATION OF REALTORS®.

2.2. Antitrust Policy. A goal of the Charlottesville Area Association of REALTORS® is to improve the level of products and services offered by its members to the public and to encourage vigorous competition among its members in providing such products and services. In furtherance of this goal, CAAR has adopted a policy of strict compliance with antitrust laws.

2.2. A. Company Policies. Members shall not discuss with any competitor individual company policies relating to competitive policies, pricing or related types of sensitive information, including (a) commission levels, fees, business expenses or other business information or policies that would allow or encourage price fixing or maintenance; (b) bidding strategies either in general or for specific properties or any other information that would allow or encourage bid rigging; (c) a firm's competitive business decisions, including its policies regarding dealing with those firms offering different business models; (d) policies regarding the duration or types of listing agreements the firm will enter into or the form of compensation the firm will accept or negotiate; (e) the compensation offered or paid to a firm's agents or employees; (f) plans concerning any proposed or existing customers, clients or territories; (g) any other actions that might be construed as concerted attempts to restrain competition, including joint attempts to control or affect prices, market conditions, marketing practices, customer choice, or the like.

2.2. B. REALTOR® Association Membership. Membership in CAAR and local REALTOR® associations is open to any individual or entity meeting the membership qualifications set forth in the bylaws of the association, without regard to the type of business models employed by its company. No member shall urge on the leadership or membership of CAAR or of any local association or on any competitor that membership in any REALTOR® association be limited to companies practicing business models, or that membership be denied to companies or members practicing business models with which the member is in competition or with which the member is unfamiliar or uncomfortable. Members shall take no action to influence the business conduct of customers or other members towards such competitors.

2.2. C. Availability of Information. As a service to members and to the public, CAAR accumulates data and issues statistical reports relating to general market trends and comparisons of past transactions of general interest. Data collection will not be limited to the membership but will generally deal with the market, and the results will be available to non-members for a reasonable fee. The development of guidelines and standards relating to the

accumulation, dissemination and use of such information will be open to wide participation by affected parties, and participation in any data collection will be strictly voluntary. In conducting any market research, CAAR will take care to avoid anticompetitive effects. General historical statistical data issued by CAAR is for use and analysis by individual members and companies and should not be discussed among competitors at organized functions or otherwise.

2.2. D. Conduct of Meetings. All CAAR meetings will be conducted in full compliance with antitrust laws. Discussion of any topic suggestive of an intent or agreement to restrict competition or fix prices shall be improper. Among such topics and discussions are:

1. Discussions of individual company policies and practices;
2. Criticism of another company's practices or of any business model; and
3. Suggestions that a local association or multiple listing services exclude from membership or participation those who practice any business model or engage in any unfamiliar or innovative activity or practice. Even though CAAR counsel and staff are well versed in antitrust matters, the presences of counsel or staff at a meeting should not invite discussion of matters that violate the letter or spirit of this policy or the antitrust laws. It is the responsibility of each member in the first instance to avoid raising improper subjects for discussion. However, if discussion of any inappropriate topics occurs at any meeting, all members present should openly disassociate themselves from such discussions, and if the discussions do not end immediately, the meeting should be brought to a prompt adjournment by the person in charge of the conduct of the meeting. Committee chairs and others conducting meetings will find that adherence to prepared agendas for all CAAR meetings will reduce the likelihood of inappropriate discussions.

2.2. E. Informal Settings. Members should also be aware that informal or social settings are inappropriate for discussion of the topics described in this policy, and that casual comments – even those made in jest – might have serious antitrust implications.

2.2. F. Enforcement of Policy. This policy statement has been prepared to assure that CAAR members, and especially CAAR volunteers and participants in CAAR and other REALTOR® association meetings, are aware of their obligations under antitrust law. Consequently, members conducting or participating in meetings of any REALTOR® association shall see to the strict enforcement of this policy. Volunteers and participants may be required, as a condition of participation on CAAR committees, to execute a copy of this policy to affirm their acceptance of its principles and agreement to comply with its terms. Members with questions about antitrust issues should contact CAAR counsel or seek other competent advice in all cases involving specific situations as they arise or when in need of guidance.

2.3. Anti-Trust Law. The Charlottesville Area Association of REALTORS® strongly supports competition and an open marketplace in which fees, commissions, and compensation are fully negotiable between the parties to each such agreement. As an Association we consider adherence to the federal anti-trust laws as one of the most important duties of members and officers, and we are vigilant in reminding our members of those tenets. (Refer to CAAR Anti-Trust Policy, Appendix A-General Member Policies)

2.4. Business Philosophy. The Charlottesville Area Association of REALTORS® shall be guided by its identified strategic objectives, as articulated in the duly adopted CAAR Strategic Plan, and shall conduct its affairs as a competently run business. Decisions are made to ensure financial solvency of the Association and provide uninterrupted service to its mission and support of membership activities.

2.5. Philosophy on Board/Staff Roles and Responsibilities. It is the responsibility of the CAAR Board of Directors to implement and monitor progress toward the organization's strategic objectives and to promulgate policies necessary for serving its members.

It is the responsibility of the CAAR Board of Directors, through the Chief Executive Officer, to ensure that Board policy is properly executed.

It is the responsibility of the Chief Executive Officer to manage the day-to-day operations of the Association, including creating a functional staffing structure; and hiring, training, evaluating, compensating, disciplining and terminating staff within the funding appropriated by the Board of Directors. All staff report to the CEO. The CEO shall be accountable for leading staff in achieving organizational outcomes and shall direct staff in providing direct member services and programs necessary to accomplish CAAR's strategic goals, with the advice and direction of member volunteers who serve on committees, and in accordance with Board policy directives and funding appropriations.

It is the responsibility of member volunteers who serve on committees to provide input to the Board and staff concerning member needs and expectations; to advise and provide direction to the staff in translating Association strategic plan goals into operational programs and services for the membership.

Implicit in this philosophy is the assumption that the essential and primary role of volunteer leadership is determining direction and identifying desired ends/outcomes; the essential role of staff is in identifying means and implementing volunteer-advised and directed strategies for accomplishing those ends/outcomes.

2.6. Leadership Development. CAAR's future success rests on its ability to recruit and develop new leaders. It is the Association's policy to conduct an on-going program designed to identify future REALTOR® leaders and enhance their leadership skills and knowledge through training and volunteer opportunities.

2.7. Staff Professional Development. It is the policy of CAAR that staff of the Association shall seek ongoing professional development in subject areas applicable to their roles and responsibilities at the Association. The CAAR CEO shall ensure such professional development programs are available for staff.

2.8. CEO Evaluation. It is the Association's policy to conduct a performance evaluation of the CEO annually, conducted by the Executive Committee. The Executive Committee shall consider input on the CEO's performance from members of the Board of Directors. A summary of the final performance evaluation will be filed in the CEO's personnel file.

2.9. General Member Policies. The Association has adopted policies for all members including Anti-Trust, Code of Conduct, Sexual Harassment and Whistleblower. These policies are distributed to all new and renewing members annually. Refer to Appendix A- General Member Policies.

2.10. Elected and Appointed Volunteer Policies.

The Association has adopted policies for all elected and appointed volunteers including Pledge of Fiduciary Duty, Conflict of Interest, and Volunteer Service Agreement. These policies are distributed to all volunteers annually upon acceptance of a volunteer service assignment. Refer to Appendix B- Elected and Appointed Volunteer Policies

2.11. Enforcement and Compliance of Policies.

Association officers and volunteers are required to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As representatives of the Association, members must practice honesty and integrity in fulfilling responsibilities and comply with all applicable laws and regulations.

2.11. A. Report Responsibility. It is the responsibility of all members to comply with the CAAR Fiduciary Pledge and to report violations or suspected violations in accordance with this Policy.

2.11. B. No Retaliation. No member who in good faith reports a violation of the CAAR Fiduciary Pledge shall suffer harassment, retaliation or other adverse consequences. This policy is

intended to encourage and enable members to raise serious concerns with the Association prior to seeking resolution outside the organization.

2.11. C. Reporting Violations. Members are encouraged to share their questions, concerns, suggestions, or complaints with the President, CEO or Board of Directors Member.

2.11. D. Compliance Officer. CAAR's CEO, or senior staff member as designated by the CEO, shall serve as CAAR's compliance officer. The compliance officer is responsible for investigating and seeking resolution to all reported complaints and allegations concerning violations of the CAAR Fiduciary Pledge and, at his/her discretion, shall advise the Board of Directors. The compliance officer has direct access to the directors and is required to report any compliance activity to the board at least annually. In the event the CEO is the subject of the complaint, the CAAR General Counsel shall serve as the Compliance Officer and facilitate the complaint process.

2.11. E. Acting in Good Faith. Anyone filing a complaint concerning a violation or suspected violation of the CAAR Fiduciary Pledge must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the CAAR Fiduciary Pledge. Any allegations that prove not to be substantiated or which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

2.11. F. Confidentiality. Violations or suspected violations may be submitted on a confidential basis by the complainant. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

2.11. G. Handling of Reported Violations. The compliance officer will notify the sender and acknowledge receipt of the reported violation or suspected violation within five business days. All reports will be promptly investigated, and appropriate corrective action will be taken if warranted by the investigation.

2.12. Employee Policies. The Association shall maintain an Employee Handbook. The Employee Handbook shall govern the personnel matters of the Association. The CAAR Employee Handbook, as updated and amended from time to time by the CEO with the advice of CAAR Legal Counsel, is incorporated herein as Appendix I.

3. OPERATIONAL POLICIES

3.1. Budget Process. The Board of Directors shall annually determine the annual dues needed to accomplish the strategic objectives of the Association and shall approve an operational budget for the subsequent fiscal year. The dues amount for the subsequent year shall be determined no later than August each year.

3.2. Disaster Relief Planning and Funding. It is the policy of the Association to be both prepared for and responsive to members and member associations for support in the event of a man-made or natural disaster. The Association has adopted Disaster & Security Policies, incorporated as Appendix H. Each disaster event is unique with varying support needs. A special meeting of the Board may be called, in accordance with established procedures, in the event of a disaster in order to determine appropriate association response.

3.3. Committees/Groups Generally. It is the policy of the Association to promote the broadest possible volunteer member involvement and opportunities for member input and engagement. Committees and groups of the Association may be created from time to time, as the Association budget permits, to serve this purpose. These bodies should have a well-articulated mission and scope which does not overlap or duplicate the mission and scope of existing committees and groups of the Association. Committees and groups serve the interests of the broader association membership.

3.3. A. Appointment Process. The CAAR incoming President and President-elect will meet prior to their governing year to select members for appointment to existing or proposed committees and groups for the coming governing year. Unless otherwise stated in the Association bylaws or this manual the President may remove and reappoint any chair, vice-chair or member of a committee or group.

3.3. B. Limitations on Member Appointments. To ensure that volunteer opportunities for service are available to the largest number of members a member should serve on no more than two permanent CAAR groups and no more than one temporary project team or committee in a corresponding period. A permanent committee or group is one established in the CAAR Bylaws or the CAAR Policy and Procedures Manual, and a temporary committee, group or project team is one created by the authority of the president or standing committee chair for a temporary purpose.

Members of the CAAR Board of Directors will not be appointed to committees other than to positions designated specifically for a BOD member in a liaison capacity. Members of the Board of Directors should relinquish their non-Board of Directors designated seats on committees and groups to ensure non-Board of Directors members are provided those appointment opportunities. Members of the Board of Directors may be appointed as non-voting Board of Directors Liaisons to groups on which no other member of the Board of Directors or Leadership Team is serving.

3.3 C. Temporary Committee or Group Creation Process. The President of CAAR has the authority from the CAAR Bylaws to create committees, groups and project teams for his/her term. The President may create these groups from time to time in response to current needs of the Association. Any committee, group or project team not currently created in the CAAR Bylaws or this Policy and Procedures Manual must be approved by the CAAR President after careful consideration of the group's scope, budget impacts, and CAAR staff resource impacts. A **Workgroup Authorization Form**, found on the last page of Appendix F, must be completed and provided to the CAAR President through the CAAR CEO and approved by the President prior to the creation of any temporary member group to include project teams, ad hoc committees and workgroups of standing committees or committees identified in this manual.

3.4. Governance Meeting Processes.

Whenever possible, Project Teams and Groups will first consider new projects, strategic initiatives and develop workplans prior to Board of Directors consideration and action. Groups and Project Teams will conduct the business of the Association in accordance with the Group Operations Manual. The manual shall contain guidance and samples of meeting agenda content, meeting conduct, meeting notice time frames, recording of minutes, staff liaison responsibilities and a process for allowing meetings by electronic or telephonic means. The Group Operations Manual may be updated from time to time by the CEO with input from the Board of Directors. The Group Operations Manual is incorporated herein as Appendix F.

3.5. Legal Representation. The Association shall retain effective legal representation to ensure that the policies and operations of the Association conform to the applicable local, state and federal laws.

3.6. Office Location. The executive offices of the CAAR shall be at 550 Hillsdale Drive, Charlottesville, Virginia 22901, and at such other locations as may be provided by the Board of Directors.

3.7. Office Hours. The hours of availability of the CAAR shall be 8:30am until 5:00pm Monday through Friday, except for approved holidays, weather events and staff morale events.

3.8. Policy on Cell Phone Usage. Use of a cellular telephone, personal digital assistant or any other electronic equipment to conduct Association business while driving is not within the scope of any employees' work or volunteers' duty or responsibility to the Association, and no employee or member

volunteer is required to use a cell phone while operating a motor vehicle. All Association employees and volunteers are expected to obey the laws of the state and jurisdiction in which they are traveling.

3.9. Policy on Electronic Mail Privacy. CAAR values, and commits to preserve, the privacy of its members, and to protect them from unwanted solicitations and other invasions of privacy. To that end, CAAR and its employees will not, under any circumstances, sell, offer or otherwise distribute or make available the personal or company email address of any individual member or member firm. Examples include but are not limited to: charities, political associations, candidates for office, vendors, contractors or affinity partners. CAAR will obtain from all individuals and entities with whom CAAR deals and who might have access to such email addresses the contractual commitment to abide by this policy.

3.10. The responsibilities of Board of Directors members include, but are not limited to the following:

3.10.A. General charge of the affairs of the Association, as commonly authorized in a Board of Directors, and delegate such authority and adopt such rules and regulations as may be deemed proper and not in conflict with the Bylaws of the Association.

3.10.B. Approve the annual program/budget.

3.10.C. Recommend changes to the Association mission, vision and strategic plan.

3.10.D. Employ and discharge the Chief Executive Officer and may prescribe his/her functions.

3.10.G. Approve the Policy & Procedures Manual.

3.10.H. Consider requests and recommendations of the project teams and working groups.

3.10.I. Prepare for and attend the regularly scheduled Board of Directors meetings plus any special meetings called by the President or 2/3 of the Board of Directors.

3.10.J. During their term of service, attend:

1. Board of Directors Meetings
2. Designated liaison committee, group or specialty group meetings
3. Special events
4. Day on the Hill (VR Legislative Conference)
5. Other events as requested

4. PROFESSIONAL STANDARDS POLICIES

CAAR shall have a manual for the Policies and Procedures for Professional Standards and that manual shall be incorporated herein as Appendix C. The Manual shall be consistent with CAAR Bylaws which name the NAR Code of Ethics and Arbitration Manual as the manual for the CAAR Professional Standards Program.

5. PROFESSIONAL DEVELOPMENT POLICIES

CAAR shall have regularly occurring Association sponsored programs and events, planned and organized under the charge of the Professional Development Group. Courses and offerings which are not Virginia Real Estate Board approved Continuing Education or Post-Licensing will be submitted for Board of Directors approval annually prior to scheduling.

6. LEGISLATIVE ADVOCACY POLICIES

6.1. Procedures for Adoption of Legislative Position.

Policy positions for the organization may be determined only by the Board of Directors, with the advice of the Public Affairs Group.

6.1.A. Submission of Issues.

6.1.A. (a) Any member of the Charlottesville Area Association of REALTORS® who would like the CAAR Public Affairs Group to recommend a formal position on an issue to be added to the Code of Public Policy should submit a letter to CAAR staff liaisons outlining the issue and background information relative to his or her concern. All issues submitted must be within the scope of advocating for the real estate industry or the protection of property rights.

6.1.A. (b) The group will consider the issue(s) and vote whether to endorse the issue(s) and submit recommendations to the Board of Directors for adoption to the CAAR Code of Public Policy.

7. FINANCIAL POLICIES

7.1. Accounting and Financial Policies and Procedures Manual. CAAR will maintain an Accounting and Financial Policies and Procedures Manual. The manual and all policies and controls contained in the manual shall be incorporated into the CAAR Policies and Procedures Manual as Appendix GC. The CEO may make technical and compliance updates to the manual from time to time, in consultation with the CAAR Treasurer, CAAR Legal Counsel, CAAR senior staff member for finance or the CAAR auditor, to ensure compliance with legal and accounting practice requirements. Policy changes to the manual must be approved by the CAAR Board of Directors.

7.2. Access to Records by Members. CAAR shall comply with the Virginia Non-Stock Corporation Act with regards to document access by members.

7.3. Member Expense Policies. It shall be the policy of the Association to acknowledge the significant time and financial sacrifice made by volunteer members in the performance of their duties.

The expense budget for members approved for travel on behalf of the Association will be established each year in the annual operating budget approved by the Board of Directors. In order to receive reimbursement for travel expenses officers must complete the approved Travel Expense Report and submit with receipts within 30 days of the expenditure.

7.3.A. Covered Events. The following are the covered events:

VR and NAR Conferences including the VAR Economic and Advocacy Summit, VR Annual Conference, Mid-Year REALTOR® Legislative Meetings, NAR Annual Conference. Actual registration and attendance at the events are required.

7.3.B. Covered Expenses. The Following are the covered expenses.

7.3.B. (a). Lodging. For instances when lodging expenses will be covered, lodging must be booked with a preferred hotel at the meeting's negotiated rate, when available. If a member chooses not to stay at a preferred hotel and/or the rate paid exceeds the negotiated rate, the member will not be reimbursed for the excess amount of the charge over the negotiated rate. Each officer will be reimbursed for the nights necessary to facilitate meeting or conference attendance. Actual registration and attendance at the events are required.

7.3 B. (b). Parking/Tolls. Reasonable parking and tolls associated with traveling to or from the events;

7.3.B. (c). Travel and Mileage. Officers will be reimbursed for mileage at the IRS maximum allowable rate. When air travel is required, the member will work with CAAR staff to identify the most reasonable flight arrangements and corresponding air fare. Other forms of transportation may also be considered based on the most economical options available.

7.3.C. Non-reimbursable Expenses. Certain expenses are excluded from the CAAR reimbursement policy. These expenses include but are not limited to: Dining provided by the Association, entertainment, dry cleaning/laundry, fitness center fees, and personal telephone calls.

8. LEGAL ACTION FUND

The Legal Action Fund (the Fund) established herein shall be administered in accordance with these policies and procedures.

8.1 Purposes, Goals and Funding Criteria.

The principal purpose of this Fund is to provide financial resources and other assistance for the Association in the engagement of legal actions that may have important precedential significance to private property owners or the real estate industry. Such actions include, without limitation (i) litigation, actual or proposed; (ii) preparation and submission of briefs *amicus curiae*; or (iii) defense and appeals of actions of the Virginia Real Estate Board (REB) or other administrative bodies. Actions supported must clearly evidence the potential for impact on real estate related matters, the operation of REALTOR® associations or private property rights in Virginia. The existence of the Legal Action Fund shall not be considered by any parties as a substitute for errors and omissions insurance coverage. No expenditures from the Legal Action Fund may be made in connection with the support of or opposition to any type of legislation at any level of government.

8.2. Financing of the Fund.

8.2.A. The Fund shall be financed by funds derived from the membership from any or all the following sources, at the discretion of the Board of Directors:

8.2.A. (1) Direct appropriation from the budget or reserves of the Association, as authorized by the Board of Directors.

8.2.A. (2) Revenues derived from other sources or activities in a manner and at such times as deemed necessary and appropriate by the Board of Directors.

8.2.B. The Fund has no minimum or maximum balance thresholds.

8.2.C. Monies in the Fund may be invested in accordance with the CAAR Investment Policy

8.3. Administration of the Fund.

8.3.A. The Fund shall be administered by the Operations Group (Association staff shall account for all Fund monies and shall disburse such monies as approved by the Group and the Board of Directors.

8.3.B. Meetings shall be scheduled in connection with the regular meetings of the Board of Directors and otherwise held at the call of the President or Chairman of the Group or as otherwise set out herein.

8.4. Consideration of Funding Requests.

8.4.A. All requests for support from the Fund must be made in writing and initiated or supported by a CAAR Master Group or Board of Directors. The Chair of the Group shall convene a meeting of the Group to consider the request within thirty (30) days after the Group's receipt of such request.

8.4.B. The Group, in collaboration with Association counsel or other representatives, shall study the request for merits and compliance with established criteria, as outlined in paragraph 6.1. The requesting Group or party may appear before the Group to support the request and answer any questions posed by the Group, including amending the request to meet established funding guidelines.

Upon approval of a funding request, the recommendation will be submitted to the Board of Directors for consideration. Should the Operations Group not recommend use of the Fund, the requesting party will have an opportunity to submit the request to the Board of Directors for final determination.

8.4.C. All appropriations from the Fund shall be disbursed as recommended by the Group and authorized by the Board of Directors.

9. CAPITAL IMPROVEMENT FUND

9.1. Purposes, Goals and Funding Criteria. The Capital Improvement Fund (CIF) is established to support maintenance and enhancements to the association headquarters property and improvements. The Fund will be maintained in the Short-term Funds category.

9.2. Financing of the Fund.

9.2.A. The Fund shall be financed through annual contributions of up to \$10,000.00 as available from net operating surplus. The fund balance will not exceed \$100,000.

9.2.B. Monies in the Fund may be invested in accordance with the CAAR Investment Policy until needed for a designated project approved by the Board of Directors.

9.3. Administration.

The fund is administered by the Board of Directors. Monies may be appropriated from the Improvement Fund by motion of the Board of Directors.

10. INVESTMENT POLICIES

10.1. Operating, Short-Term and Long-Term Funds. The association will maintain an Investment Policy. Funds will be established for the purposes of managing investment risk and to optimize investment returns within acceptable risk parameters. Funds held will be divided into three separate investment pools. The three investment pools shall be called the "Operating Fund", the "Short-Term Fund" and the "Long-Term Fund". The policy is included as Appendix D.

CAAR POLICY MANUAL- APPENDIX A

Charlottesville Area Association of REALTORS®



General Member Policies

Revised 10-31-18

The following policies will be distributed annually to all CAAR active primary and secondary REALTOR® members, affiliates, and honorary members.

General Member Policies include:

- Antitrust Statement
- Harassment Policy
- Member Whistleblower Policy
- Code of Conduct

CAAR Antitrust Statement

Prelude

The Charlottesville Area Association of REALTORS® (CAAR) is a for-profit organization. The Association is not organized to and may not play any role in the competitive decisions of its members or their employees, nor in any way restrict competition among members or potential members. Rather it serves as a forum for a free and open discussion of diverse opinions without in any way attempting to encourage or sanction any business practice.

CAAR provides a forum for exchange of ideas in a variety of settings including its Annual Meeting, Trade Shows, monthly membership meetings, educational programs, group meetings, and Board meetings. The Board of Directors recognizes the possibility that CAAR and its activities could be viewed by some as an opportunity for anti-competitive conduct. Therefore, this policy statement clearly and unequivocally supports the policy of competition served by the antitrust laws and to communicate CAAR's uncompromising policy to comply strictly in all respects with those laws.

While recognizing the importance of the principle of competition served by the antitrust laws, CAAR also recognizes the severity of the potential penalties that might be imposed on not only CAAR, but its members as well in the event certain conduct is found to violate the antitrust laws. Should CAAR or its members be involved in any violation of federal/state antitrust laws, such violation can involve both civil and criminal penalties that may include imprisonment for up to 3 years as well as fines up to \$350,000 for individuals and up to \$10,000,000 for the Association plus attorney fees. In addition, damage claims awarded to private parties in a civil suit are tripled for antitrust violations. Given the severity of such penalties, the Board intends to take all necessary and proper measures to ensure that violations of the antitrust laws do not occur.

Policy

In order to ensure that the Association and its members comply with antitrust laws, the following principles will be observed:

- CAAR or any group, section, or activity of the Association shall not be used for purposes of bringing about or attempting to bring about any understanding or agreement, written or oral, formal or informal, expressed or implied, among two or more members or other competitors about prices or terms and conditions of contracts for services or products. Therefore, discussions and exchanges of information about such topics will not be permitted at CAAR meetings or other activities.
- There will be no discussions discouraging or withholding patronage or services from or encouraging exclusive dealing with any supplier or purchaser or group of suppliers or purchasers of products or services, any actual or potential competitor or group of actual potential competitors, or any private or governmental entity.
- There will be no discussions about allocating or dividing geographic or service markets or customers.
- There will be no discussions about restricting, limiting, prohibiting, or sanctioning advertising or solicitation that is not false, misleading, deceptive, or directly competitive with CAAR products or services.
- There will be no discussions about discouraging entry into or competition in any segment of the marketplace.
- There will be no discussions about whether the practices of any member, actual or potential competitor, or other person are unethical or anti-competitive.

- Certain activities of CAAR and its members are deemed protected from antitrust laws under the First Amendment right to petition government. The antitrust exemption for these activities, referred to as the Noerr-Pennington Doctrine, protects ethical and proper actions or discussions by members designed to influence:
 1. legislation at the national, state, or local level;
 2. regulatory or policy-making activities (as opposed to commercial activities) of a governmental body;
 3. decisions of judicial bodies.

However, the exemption does not protect actions constituting a "sham" to cover anticompetitive conduct.

- Speakers at groups, educational meetings, or other business meetings of CAAR shall be informed that they must comply with CAAR's antitrust policy in the preparation and the presentation of their remarks. Meetings will follow a written agenda approved in advance by CAAR or its legal counsel.
- Meetings will follow a written agenda. Minutes will be prepared after the meeting to provide a concise summary of important matters discussed, actions taken, or conclusions reached.
- At informal discussions at the site of any CAAR meeting all participants are expected to observe the same standards of personal conduct as are required of CAAR in its compliance.

CAAR Harassment Policy

The Association fully supports the rights and opportunities of all its members and staff to work in an environment free from discrimination and without subjugation to harassment. Any member of the Association may be reprimanded, placed on probation, suspended or expelled for harassment of an Association employee or Association Officer, Director or member after an investigation in accordance with the procedures of the Association. As used in this Section, harassment means any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's performance by creating a hostile, intimidating or offensive environment.

Sexual harassment may take different forms. One specific form is a demand for sexual favors. Other forms of harassment include:

- Verbal sexual innuendoes, suggestive comments, joke of a sexual nature, sexual propositions, threats.
- Non-verbal sexually suggestive objects or pictures, graphic commentaries, suggestive or insulting sounds, leering, whistling, obscene gestures.
- Unwanted physical contact, including touching, pinching, brushing the body, coerced sexual intercourse, assault.

The decision of the appropriate disciplinary action to be taken shall be made by the investigatory team comprised of the President, and President-elect and/or Treasurer and one member of the Board of Directors selected by the highest-ranking officer not named in the complaint, upon consultation with legal counsel for the association. Disciplinary action may include any sanction authorized in the association's Code of Ethics and Arbitration Manual. If the complaint names the President, President-elect or Treasurer, they may not participate in the proceedings and shall be replaced by the Immediate Past President or, alternatively, by another member of the Board of Directors selected by the highest-ranking officer not named in the complaint.

CAAR Member Whistleblower Policy

The CAAR Fiduciary Pledge requires association officers and volunteers to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As representatives of the Association, members must practice honesty and integrity in fulfilling responsibilities and comply with all applicable laws and regulations.

Report Responsibility. It is the responsibility of all members to comply with the CAAR Fiduciary Pledge and to report violations or suspected violations in accordance with this Policy.

No Retaliation. No member who in good faith reports a violation of the CAAR Fiduciary Pledge shall suffer harassment, retaliation or other adverse consequences. This policy is intended to encourage and enable members to raise serious concerns with the Association prior to seeking resolution outside the organization.

Reporting Violations. Members are encouraged to share their questions, concerns, suggestions, or complaints with the President, CEO or other Leadership Team Member.

Compliance Officer. CAAR's CEO, or senior staff member as designated by the CEO, shall serve as CAAR's compliance officer. The compliance officer is responsible for investigating and seeking resolution to all reported complaints and allegations concerning violations of the CAAR Fiduciary Pledge and, at his/her discretion, shall advise the Leadership Team and/or Members of the Board of Directors. The compliance officer has direct access to the directors and is required to report any compliance activity to the board at least annually. In the event the CEO is the subject of the complaint, the CAAR General Counsel shall serve as the compliance officer and facilitate the complaint process.

Acting in Good Faith. Anyone filing a complaint concerning a violation or suspected violation of the CAAR Fiduciary Pledge must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the CAAR Fiduciary Pledge. Any allegations that prove not to be substantiated or which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

Confidentiality. Violations or suspected violations may be submitted on a confidential basis by the complainant. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

Handling of Reported Violations. The compliance officer will notify the sender and acknowledge receipt of the reported violation or suspected violation within five business days. All reports will be promptly investigated, and appropriate corrective action will be taken if warranted by the investigation.

CAAR Code of Conduct

The members and staff must work together effectively as a team to accomplish the Association's goals. Such joint efforts are enhanced by an environment of courtesy and mutual respect.

The Association fully supports the rights and opportunities of all its directors, committee members, and employees to work in an environment free from discrimination and without subjugation to sexual harassment.

Sexual harassment does not include occasional compliments or voluntary relationships between members and staff.

Sexual harassment may be overt or subtle. It includes behavior that is not welcome; that is personally offensive; that fails to respect the rights of others; that lowers morale; and that, therefore, interferes with the effectiveness of our work.

Sexual harassment may take different forms. One specific form is a demand for sexual favors. Other forms of harassment include:

- Verbal sexual innuendoes, suggestive comments, jokes of a sexual nature, sexual propositions, threats.
- Non-verbal sexually suggestive objects or pictures, graphic commentaries, suggestive or insulting sounds, leering, whistling, obscene gestures.
- Unwanted physical contact, including touching, pinching, brushing the body, coerced sexual intercourse, assault.

Whatever form it takes -- verbal, non-verbal or physical -- sexual harassment is insulting and demeaning to the recipient and cannot be tolerated. Sexual harassment of any member or staff by any member or staff will not be tolerated. All staff and members will be expected to behave accordingly and take appropriate measures to ensure that such conduct does not occur. Appropriate disciplinary action will be taken against any staff or member who engages in sexual harassment.

CAAR POLICY MANUAL - APPENDIX B

Charlottesville Area Association of REALTORS®



Elected & Appointed Volunteer Policies

Revised 10-31-18

The following policies will be reviewed and adopted annually by all elected and appointed volunteers of the Association. These are in addition to the General Member Policies which are distributed to members annually.

Elected and Appointed Volunteer Policies include:

- Pledge of Fiduciary Duty
- Conflict of Interest Policy
- Elected and Appointed Volunteer Service Agreement

PLEDGE OF FIDUCIARY DUTY TO THE CHARLOTTESVILLE AREA ASSOCIATION OF REALTORS®

I, the undersigned, in all my dealings in relation to the Charlottesville Area Association of REALTORS® (the "Association"), pledge my complete and absolute fiduciary duty to the Association. I will be bound by a duty of loyalty in all my actions involving the Association, I will always act for the benefit of the Association, and I will exercise the utmost good faith in conducting its business. I will represent all members of CAAR equally and not a subset of local organization thereof.

I agree that except as otherwise permitted, I will maintain the confidentiality of all verbal, written, electronic, and other information disclosed or generated in connection with my participation in the business of the Association, including the work product of such participation, as well as all other information pertaining to the affairs of the Association that comes to my attention or into my possession. I will treat all such information as confidential, and without the Association's prior written consent I will not disclose such information to any person or entity. I will not engage in or permit news releases or public announcements, or otherwise disclose, publish or disseminate such information except as otherwise permitted by the policies or decisions of the Association.

I pledge not to act to advance my own special interests in matters that concern the Association without prior written disclosure of such action to the Association. I will disclose any conflict between the interests of the Association and my personal or business interests and I will refrain both from influencing others acting on behalf of the Association and from voting on such issues.

In all my dealings with and on behalf of the Association, I pledge to comply with all applicable antitrust laws and with the CAAR Member Policies and the policies attached hereto:

1. Conflict of Interest Policy
2. Elected and Appointed Volunteer Service Agreement

In addition to the above provisions to which I will adhere in accordance with the Bylaws, Articles and any other applicable governing documents of the Association, I pledge that I will abide by Virginia Code Section 13.1-870 A. of the Virginia Non-stock Corporation Act, as set out below:

§ 13.1-870. General standards of conduct for directors.

A. A volunteer shall discharge his/her duties, in accordance with his good faith business judgment of the best interests of the corporation.

I understand and acknowledge that any breach of the duties and obligations contained herein may result in the loss of any indemnification offered by the Association's insurer and under the Bylaws and Articles of the Association, and further that I might incur liability for any damage or loss suffered by the Association as a result of any breach of the duties set forth herein.

Acknowledgment:

I will, always, act in good faith and within the scope of my authority. Pursuant to the Errors and Omissions Coverage offered through the National Association of REALTORS®, Insuring Clause IA, Section 2, which requires that I disclose any situation which may give rise to a claim either against me or the Association, I hereby (initial one)

_____ acknowledge that I am eligible for insurance and that I have not violated, am not currently in violation of, and will not violate my fiduciary duty to the Association; or

_____ decline to acknowledge my insurability. I expressly acknowledge that if there is a claim either in whole or in part against me while acting in the scope of my duties to the Association, I might not be indemnified through the Association's insurance policy, and therefore, might be personally liable for my actions.

PRINT NAME: _____

Signature: _____ Date: _____

Group and Position Held (Member, Chair, etc.): _____

CHARLOTTESVILLE AREA ASSOCIATION OF REALTORS®
CONFLICT OF INTEREST POLICY

A member of any of CAAR's decision-making bodies will be considered to have a conflict of interest whenever that member:

- Is a principal, partner or corporate officer of a business providing products or services to CAAR or in a business being considered as a provider of products or services;
- Holds a seat on the Board of Directors of the business unless the person's only relationship to the Business is service on such Board of Directors as CAAR's representative;
- Holds an ownership interest of the Business. Ownership interest includes holdings of the member, the member's spouse, children, siblings and to any trust, corporation or partnership in which any of the foregoing individuals is an officer or director, or are owners;
- Has a financial interest in, or serves in a decision-making capacity for, any entity that the member knows is offering competing products and services as those offered by CAAR.

Members with a conflict of interest must immediately disclose their interest at the outset of any discussions by a decision-making body pertaining to the Business or any of its products or services. Such members may not participate in the discussion relating to that Business other than to respond to questions asked of them by other members of the body. Furthermore, no member with a conflict of interest may vote on any matter in which the member has a conflict of interest, including votes to block or alter the actions of the body in order to benefit the Business in which they have an interest.

Each year, each member of the Board of Directors and all volunteer groups, and project teams will execute a statement confirming that (i) the member commits to adhere to CAAR's conflict of interest policies, and (ii) the member has not been involved in any activity or relationship that has not been disclosed as required by this policy that would constitute a conflict of interest.

**CHARLOTTEVILLE AREA ASSOCIATION OF REALTORS®
ELECTED and APPOINTED VOLUNTEER SERVICE AGREEMENT**

As an Appointed or Elected CAAR Volunteer, I will:

- Represent all members of CAAR equally and not a subset or local organization thereof,
- Attend all my volunteer group meetings by phone (as permitted) or in person;
- Review the agenda and supporting materials prior to meetings and take on special assignments as needed;
- Remain informed about CAAR's mission, services, and policies and promote CAAR; and
- Provide support and advice to the staff but avoid interfering in management activities.

I will act in concert with the following principles:

As an Elected or Appointed Volunteer, I understand that I have Duties of Care, Loyalty, and Obedience to CAAR.

The Duty of Care – It requires the volunteer to read relevant documents, prepare carefully for meetings, pay attention to what is going on, and ask questions to clarify actions that are being taken.

The Duty of Loyalty – It requires the volunteer to give undivided allegiance to CAAR, without regard to personal interest, business interest, or the interest of any other region or organization. Furthermore, it is a breach of the duty of loyalty for an Appointed or Elected Volunteer to use inside information gained in the performance of his or her responsibilities for personal benefit, or to benefit his or her region, business, or any other organization. This constitutes a conflict of interest. The Duty of Obedience – It requires the volunteer to act within the scope of legal authority, including adhering to CAAR's governing documents and mission.

I commit that I will uphold these duties and that I shall do my utmost to ensure that CAAR performs its mission and achieves its goals. As an Elected or Appointed Volunteer, I agree to:

- Act with honesty and integrity;
- Support in a positive manner all actions taken by the volunteer group on which I serve even when I am in a minority position on such actions. I recognize that these actions can be made only by a majority vote at a duly authorized meeting and I will respect the majority decisions of the group, while retaining the right to seek changes through ethical and constructive channels;
- Keep confidential information confidential;
- Exercise my authority as an Elected or Appointed Volunteer only when acting in a duly authorized volunteer group meeting or as duly authorized by the group;
- Work with and respect the opinions of my peers who serve CAAR, and leave my personal prejudices out of all discussions;
- Always act for the good of CAAR and represent the interests of all people served by the organization;
- always Represent CAAR in a positive and supportive manner.
- Observe all parliamentary procedures and display courteous conduct in all meetings.

Signature

Date

CAAR POLICY MANUAL- APPENDIX C

Charlottesville Area Association of REALTORS®



Professional Standards Policy Manual

Revised 10-31-18

- Professional Standards Administrator
- Ombudsmen Service
- Mediation Service
- Grievance Committee
- Ethics Hearings
- Arbitration Hearings
- Appeals
- Citation Schedule
- Administrative Fees

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The following Professional Standards Policy Manual reflects the changes and optional provisions that the Charlottesville Area Association of REALTORS® has adopted from the National Association of REALTORS® Code of Ethics and Arbitration Manual.

I. General Provisions

A. Miscellaneous

1. Definitions

- “**BOD**” means the Board of Directors of the Charlottesville Area Association of REALTORS®.
- “**Citation Schedule**” refers to the Citation Policy and fines associated with the Policy adopted by the Charlottesville Area Association of REALTORS® Board of Directors.
- “**NAR**” means National Association of REALTORS®.
- “**NAR Manual**” means the current version of the National Association of REALTORS® Code of Ethics and Arbitration Manual.
- “**CAAR**” means Charlottesville Area Association of REALTORS®.
- “**Professional Standards Department**” means the Professional Standards Administrators of the Charlottesville Area Association of REALTORS®.
- “**Member**” means REALTOR® member of CAAR.
- “**State Association**” means the Virginia Association of REALTORS®.

2. Universal Changes

All blanks or references to a state shall be filled in with “Virginia.” All blanks or references to the Association shall be filled in with “Charlottesville Area Association of REALTORS®.”

All references to Secretary should be changed to the ‘Professional Services Administrators of the Charlottesville Area Association of REALTORS®’.

3. Other

CAAR has adopted the optional procedure that allows the Association to seek a judgment for declaratory relief.

B. Time Periods

Respondent(s) in an ethics case shall have fifteen (15) days to submit a response, and Respondent (s) in an arbitration case shall have fifteen (15) days to submit a response or additional information when requested, unless otherwise noted in this policy.

The complaint, and response, if any, shall be available for Hearing Panel members to review at least 10 days prior to the Hearing.

Whenever a Specimen Form has a blank line to fill in for “number of days”, the number used shall be the minimum number of days specified in the NAR Manual.

C. Notice

The Professional Standards Administrator may, within his or her sole discretion, transmit notices and documents electronically to all parties, unless prohibited by the NAR Manual. Delivery of such notices shall be deemed given, served or filed when transmitted.

D. Board of Directors

The following matters will be heard by the full Board of Directors: Action of the BOD, Initial Action by Directors, and Preliminary Judicial Determination Prior to Imposition of Discipline.

The following matters will be heard by a panel of at least five (5) Directors: Power to Take Disciplinary Action, Appeal from the Decision of a Grievance Panel Related to an Ethics Complaint/Related to a Request for Arbitration, Initiating an Ethics hearing, Board’s Right to Decline Arbitration, Manner of Invoking Arbitration, and Request for Procedural Review by Directors.

If no appeal is filed, the Directors will adopt the Hearing Panel’s recommendation and issue its order accordingly (at its next regularly scheduled meeting or a special meeting designated for that purpose, but no later than thirty (30) days after the date the Hearing Panel’s decision was transmitted to the parties). Covered in Section 23(b) (et seq.).

Any matter brought before the BOD may be considered by a panel of Directors. A minimum of five (5) directors shall constitute such a panel, which shall act on behalf of the BOD. The decision of the panel shall be final and

binding and shall not be subject to further review by the BOD. NAR Manual Statement of Professional Standards Policy #33.

In any instance where the President is disqualified from participating in a case then the following list of alternates will be eligible to act in place of the President of the Association: 1) President-Elect, 2) the Immediate Past President, or 3) Treasurer. In the event a panel of the BOD hears a case, the Professional Standards staff shall appoint the chair for the BOD panel.

Qualifications for a Director to serve on a tribunal are covered in Section 2 of NAR Manual.

Members of the Board of Directors must attend the CAAR/VAR annual Professional Standards training.

E. Fees, Generally

The following costs have been established and subject to review and change as approved by CAAR Board of Directors.

1. The charge for an audio tape duplication of a hearing shall be \$5.
2. The appeal deposit for an appeal from a Professional Standards or Arbitration hearing shall be \$250.
3. The administrative processing fee for all hearings shall be \$500.
4. If a case is settled through mediation, the administrative processing fee shall not exceed \$125.
5. A returned check fee will be \$50.
6. If a check is returned, the fee plus the \$50 return check fee must be paid via certified check.
7. The Citation Administration Fee is \$150.
8. Inter-board Filing Fee is \$250.

II. Committees

A. Generally

The objective is to have a minimum of 20 REALTORS®, in good standing, approved by the Board of Directors with representation from as many different firms as possible on the committee.

B. Membership

In order to participate in a Grievance Review or to serve on Professional Standards or Arbitration hearing panels, Members of the Professional Standards Group must attend an annual Professional Standards training. Members of the Professional Standards Group shall serve as an alternate on at least one Professional Standards hearing before serving on a panel.

Any Group member found in violation of the Code of Ethics shall be dismissed from the Committee for the remainder of the appointed term.

1. Grievance and Authority

There shall be a standing committee, known as the Grievance Committee, of at least twenty (20) Members, in good standing. The members of the Committee shall be appointed by the President, subject to confirmation by the Board of Directors. NAR Manual Section 15 and Section 17.

Matters of Inter-board Authority with Greater Augusta and Harrisonburg-Rockingham Associations of REALTORS® will be managed locally via cooperative enforcement agreement. All other Inter-board filings will be referred to the State Association.

2. Professional Standards & Arbitration

There shall be a Professional Standards Committee of at least twenty (20) Members, in good standing. The members of the Committee shall be appointed by the association President to one (1) year terms and are eligible for reappointment, subject to confirmation by the Board of Directors. NAR Manual Section 16.

Matters of Inter-board Authority with Greater Augusta and Harrisonburg-Rockingham Associations of REALTORS® will be managed locally via cooperative enforcement agreement. All other Inter-board filings will be referred to the state association.

C. Structure

1. Grievance

The President of the Association shall appoint the Chair of the Grievance Committee. The President-Elect shall appoint the Vice-Chair of the Grievance Committee.

2. Professional Standards & Arbitration

The President of the Association shall appoint the Chair of the Professional Standards Committee. The President-Elect shall appoint the Vice-Chair of the Professional Standards Committee.

D. Meetings

The following policies apply to all meetings connected with the Grievance Review, Professional Standards hearings, and mediation sessions. All meetings must be scheduled with and held at the CAAR office. A CAAR staff member trained in professional standards must attend all meetings. During all meetings, pagers and portable phones shall be turned off and set aside so as not to disturb or delay the proceedings.

1. Grievance

A Grievance Review meets as needed upon receipt of a complaint. The Professional Standards Administrator is to automatically request a written response to any case that is filed with CAAR. Complaints will be sent to Grievance Chair within five (5) days.

[Staff Note: This instruction must be renewed each year, or it is automatically removed from the procedures. Discuss this with the Chair and Vice-Chair prior to the first committee meeting of each year]

A copy of the complaint, and the response if required by Grievance Chair, will be distributed to the selected members of the Grievance Review. The Grievance Chair will review the names of the parties and the affiliated firms. Each member of the review will be asked if they can impartially participate in the consideration of the case. Members of the review shall disqualify themselves if they are unable to objectively consider the case.

2. Professional Standards & Arbitration

The Professional Standards Group meets once a year for the purpose training and procedural review.

III. Professional Standards Process Options and Policies

A. General

Below are the general procedures that apply to both Professional Standards ethics and arbitration hearing panels. Please see the appropriate section for any deviations from these procedures.

If litigation or any government agency investigation or other action is pending related to the same transaction, refer to NAR Manual Section 19 (b)(5).

All Professional Standards records shall be retained until the appeal and/or procedural review period has expired or three (3) years, whichever is later. The final decision of the Professional Standards and Arbitration hearing panels and the Board of Directors relative to Professional Standards proceedings shall be retained permanently.

REALTOR® responses should be typewritten, with originals forwarded to staff electronically, by mail or delivered in person.

The Complainant and Respondent may each be granted one (1) Hearing Date postponement upon written request explaining the situation or extenuating circumstances which will be reviewed by the Hearing Panel. The written request will be considered on a case by case basis. If approved, all parties shall be advised of the rescheduled hearing date.

Designated REALTORS® of record will be copied on all notices in cases involving one of their agents. Designated REALTORS® are not automatically joined in an ethics case.

In any instance where the Chair is disqualified from participating in the review of a case, the Vice-Chair or most senior member of the group will act as the Chair for the disposition of the case.

CAAR will offer Ombudsmen and mediation as a preliminary, voluntary alternative to arbitration. By this reference, CAAR hereby adopts initiation of Mediation Procedures from the NAR Manual in Appendix VI to Part 10.

1. Panel Selection/Qualification for Tribunal

Hearing Panels shall consist of five (5) panel members. For Hearing Panels, one (1) alternate will be assigned and will serve in the event a panel member cannot attend the hearing. A smaller three (3) person panel may be used, with the consent of all parties if a last-minute emergency occurs that prevents a panel member from attending a hearing.

Grievance Review members are prohibited from serving on Hearing panels of any cases where they were involved in the preliminary review.

The Professional Standards Group has delegated the responsibility of selecting members of a hearing panel to the Professional Standards Administrator and the Professional Standards Chair. Potential hearing panel members will be selected based on the following criteria:

- Eligibility of the individual panel member.
- Availability of the committee member to serve on the panel.
- The member's experience in the real estate disciplines that apply to the case (property management, residential resale, commercial, etc.).
- Number of previous hearing panels that the member has participated on. Whenever possible, panel assignments will be divided to ensure a balance between experienced panel members that ensures opportunities for new panel members to serve on panels and accumulate their own experience.
- The length of time since the member last served on a panel.
- Any special qualifications the member may have that apply to this case (i.e., experience in short sales, expertise on fair housing, instructor on agency relationships, etc.).
- One panel member must be a Principal Broker if the Respondent is a Principal Broker.
- A majority of panel members shall have the same license status as the respondent.

In the event CAAR is unable to find a sufficient number of impartial and unbiased members from the necessary committee, the President may appoint replacement members from the CAAR general membership.

CAAR may also draw replacement panel members from other associations under the cooperative enforcement agreement in place with the Virginia Association of REALTORS®. In the event any member of the Grievance Review, Professional Standards Group and/or Board of Directors is named in a case, the following procedures will apply:

- Opposing parties to the case will be advised of which group the other named party is currently a member.
- The Professional Standards Administrator will ensure that a notice is provided to all parties in this case regarding the procedures that apply when a case involves one (1) of the group/Board members.
- The group/board member is automatically disqualified from participating in any action by the Grievance Review and/or any panel that may be selected to act on behalf of the Professional Standards Group or Board of Directors that may be called to consider this case. Group members may serve on other hearing panels and Board members remain eligible to participate in other board business.
 - The individual is prohibited from discussing this case with any member of the Grievance Review, Professional Standards Group, or Board of Directors who is eligible to serve on any meeting or panel regarding this matter.
 - If a hearing is convened, the individual would retain his or her rights of all parties to the case to attend any hearings and argue their case before the panel in the presence of the other parties.

2. Pre-Hearing **a. General**

Upon receipt of a formal, written complaint on the appropriate CAAR forms, the Respondent will be sent a notice that a complaint or arbitration request has been filed which names him or her as a party. The Respondent will be provided with a copy of the complaint or claim against him or her. The Professional Standards Administrator is to automatically request a written response to any case that is filed with CAAR. Complaints will be sent to Grievance

Chair within five (5) days.

Staff Note: This instruction must be renewed each year, or it is automatically removed from the procedures. Discuss this with the Chair and Vice-Chair prior to the first committee meeting of each year.

In the case of an ethics complaint, the Respondent will be given fifteen (15) days from his or her receipt of the notice to provide a written response to the Grievance Review. In the case of an arbitration claim, the Respondent will be given fifteen (15) days from his or her receipt of the notice to provide a written response to the Grievance Review.

The Professional Standards Administrator may grant an extension of the Respondent's deadline for up to thirty (30) days in order to provide the Respondent with additional time to complete the response. Any delay of more than thirty (30) days requires the consent of the Grievance Chair.

Upon receipt of the response, a copy shall be sent to the Complainant. Copies of any additional filings are forwarded to the parties as they are received until after receipt of Grievance instructions. Upon receipt of the Grievance recommendation, the Professional Standards Chair will select the Hearing Panel Chair and recommend available panelists within five (5) days.

Please see applicable section below for Grievance review of case.

The function of the Grievance Committee is to make only such preliminary review and evaluation of the complaint as are required to determine whether the complaint warrants further consideration by a Hearing Panel of the Professional Standards Committee. The Grievance Committee does not conduct hearings and does not determine if a violation of the Code of Ethics has occurred. NAR Manual Section 20(a).

Once a hearing panel is selected to serve on a specific case, the Chair of the Panel will act on behalf of the Chair of the Professional Standards Committee or Chair of the Arbitration Committee (whichever is applicable).

b. Documents

CAAR will transmit a copy of the master case file to all parties with the official Notice of Hearing prior to the scheduling of the hearing. CAAR will provide a copy of the master case file and the Official Notice of Hearing to panel members assigned to this case at least ten (10) days prior to the hearing. The master case file includes the following: the original complaint, the original response, and any additional documents that were provided to the Professional Standards Department. Staff members have no discretion over which documents to add or remove from the master case file.

Any supplementary documents submitted after CAAR has mailed the master case file to the Hearing Panel and parties must be provided to CAAR and the opposing party at least fifteen (15) days before the scheduled hearing. Any additional documents provided to CAAR will be sent to the panel members within two (2) days of receipt. If the documents are provided less than two (2) days before the hearing, the documents will be distributed to the panel members when they arrive for the hearing. In the case that an original panel member is replaced, the master case file will be sent to the replacement panel member as quickly as possible.

Failure to file supplementary documents with CAAR and provide a copy to the opposing party at least fifteen (15) days prior to the hearing may lead to the opposing party objecting to the documents. In the event a party objects to the additional documents, the hearing panel will review the documents and decide whether to admit or exclude the documents. If the documents are admitted by the Hearing Panel, the objecting party may request a continuance of the hearing in order to review the documents.

In the event additional written information is presented on the day of the hearing, the hearing may be delayed until the panel members and the parties have sufficient opportunity to review the new material. The hearing may reconvene on the same day unless any of the parties' object to the submission of the new evidence or wish to have more time to review the new material. In the event a party requests more time, a continuance will be granted, and the hearing date will be rescheduled. If a party has additional documents provided to CAAR less than fifteen (15) days before the hearing, CAAR will charge a fee of \$0.50 per page to copy the documents unless the party provides copies of the documents.

Members of the hearing panel may request that any party to a hearing submit a specific document or other form of evidence prior to the hearing. A panel member must submit a written request to the Professional Standards Administrator identifying the specific document or other form of evidence required. The Professional Standards Administrator will contact the party to pass on the request. When the request is made of a REALTOR® the Professional Standards Administrator will advise the individual of his or her obligation under Article 14 of the Code of Ethics.

c. Scheduling Hearings

CAAR has adopted an alternative method of scheduling hearings.

The Professional Standards Administrator will first contact the parties to arrange for a hearing date that is acceptable to all parties. The parties have thirty (30) days to reach an agreement on the date of the hearing. After thirty (30) days, the Professional Standards Administrator may request that the Chair of the Professional Standards Committee select a date of the hearing.

The Professional Standards and Hearing Panel chair will provide a list of recommended panelists. After a panel has been selected, the parties shall be sent a copy of the appropriate forms for challenging the qualifications of any Professional Standards Group member to serve on the panel. This form may be sent out prior to the scheduling of the hearing in order to facilitate the hearing panel assignment process. Each party may challenge any member of the committee who would otherwise be eligible to serve on the hearing panel.

In the event that the forms are not sent out until after the hearing has been scheduled and a panel has been assigned, the parties will be notified of the five (5) members originally assigned to the panel and provided with a list of all the committee members. Each party may challenge anyone appointed to the panel or anyone from the committee who may be named as a potential replacement panel member. It is normally presumed that a challenge filed by a party is acceptable as long as no party challenges more than three members of the panel. If more than three members are challenged, then the Chair of the Professional Standards Committee will be notified and may review each challenge to determine (on an individual basis) if there are legitimate grounds for disqualifying the panel members.

More than three challenges may be accepted if the Chair believes each challenge was reasonable under the grounds presented by the challenging party. If less than three challenges are filed, the Professional Standards Administrator may request a review by the Chair of the Professional Standards Committee if he/she believes that the grounds that were identified create a potential violation of due process. Legal Counsel should be consulted any time the Professional Standards Administrator believes that the grounds for the challenge provided by the parties represent may violate due process.

NOTE: CAAR has adopted Expedited Administration procedures (Sections [f-q]) NAR Manual Section 20). Hearings may be rescheduled due to inclement weather as necessary.

3. Conduct of Hearing

The Chair, panel members, and alternatives shall arrive at least 30 (thirty) minutes before the scheduled hearing time.

A member of the Professional Standards Group may be present as an alternate in a professional standards hearing for training purposes, however they will not sit with the panel or be able to ask any questions during the hearing. They may observe the executive session, where they may ask questions, but cannot voice their opinions on the findings of fact or any imposed sanctions.

CAAR will record the proceeding or have a court reporter present. The Board shall have a court reporter or recorder present at the hearing or shall record the proceeding. Any party may, at the Board's discretion, record the proceeding or utilize a court reporter at their own expense. If a party utilizes a court reporter and orders a transcript, a copy of the transcription shall be made at the party's expense and presented to the Professional Standards Administrator. Covered in Section 6.

CAAR staff will operate the recording system. Any party to a hearing has the right to obtain a copy of the official recording, subject to payment of a duplication cost of \$5.00 per copy.

CAAR may, instead of recording the hearing, use a court reporter. If the court reporter for CAAR is scheduled to record a hearing but is unavoidably detained or unable to record the hearing, the hearing may only continue with the consent of all parties. If either party objects, the hearing will be rescheduled at a date and time when a court reporter will be available to record the hearing. If a party wishes to obtain a copy of the transcript, the fee is one half (1/2) of the cost CAAR pays to obtain the transcript. The fee is dependent on the length of the hearing and rates are set by the transcription service, not CAAR.

4. Decision of Hearing Panel

The names of the parties shall not be included in Hearing Panel decisions brought before the Board of Directors.

5. Publication

Publication of the names of ethics violators can only occur after a second violation occurs within three (3) years. The name of the firm the violator is (or was) licensed with cannot be published. The publication can occur to members of the Association in which the violator holds (held) membership. Publications must be consistent and uniform. This means that publication may not occur selectively but must be used in each instance where a second violation is determined within three (3) years. Other than the violator's name, the only additional information that may be published is the Article or Articles violated, the discipline imposed, and except in cases where the violator's name is similar to another member's name, the violator's license number or office address (or both) may also be published. At least one (1) of the violations must be based on conduct which occurs after the adoption of these procedures. Reference NAR Code of Ethics, Statement 45.

6. Appeal Procedure

All appeals must be in writing to the Association President. The Board of Directors has authorized the use of a five (5) member panel of Board members for appeals of Grievance Review and Professional Standards Hearing Panel decisions. The decision of the appeal panel shall be final and binding and shall not be subject to further review by the Board of Directors. NAR Manual pg. 48, et seq.

Neither Appeal, nor Procedural Review proceedings will be recorded.

a. Appeal from Grievance Committee Decision

Appeals from Grievance Committee Decisions will be heard by a five (5) member panel of the Board of Directors. There is no fee for this type of appeal.

b. Appeal from Panel Decision

Appeals from a Hearing Panel decision shall be accompanied with a \$250 deposit. If the party prevails on the appeal, the deposit is refunded. If not, the deposit is retained by the Association. The appeal deposit shall not exceed the maximum allowed by NAR.

The appeal shall indicate the basis on which the Hearing Panel decision or recommendation for discipline is being challenged (1) misapplication or misinterpretation of an Article(s); (2) procedural deficiency or lack of procedural due process; (3) the nature of discipline recommended by the Hearing Panel.

All appeal hearings are scheduled at a special appeal review tribunal meeting. CAAR has adopted an alternative method of scheduling hearings. This meeting does not have to be held prior to the next regularly scheduled meeting of the Board of Directors. A copy of the transcript will be obtained by CAAR. Parties may obtain a copy of the transcript from CAAR for half the cost of the transcript (varies depending on the length of the hearing). All parties (including the Chair of the original panel) will have an opportunity to review the appeal request and relevant procedures in order to prepare their own case before the appeal is scheduled.

CAAR staff will first contact the parties to arrange for a hearing date that is acceptable to all parties. The parties have thirty (30) days to reach an agreement on the date of the hearing. After thirty (30) days, the Professional Standards Administrator may request that the Chair of the Board of Directors Panel select a date for the hearing.

The Professional Standards Administrator will choose the panel based on the following criteria: Refer to Section 2 Qualification for Tribunal.

- The member's experience in real estate discipline (property management, residential resale, commercial, etc.) applicable to the case.
- Length of service on the Board of Directors.
- Length of service on the Grievance or Professional Standards Committee.

- Number of previous appeals for which the board member has served.
- The length of time since the member's last appeal assignment.
- Any special qualifications the member may have that apply to this case (i.e. experience in short sales, expertise on fair housing, instructor on agency relationships, etc.).
- Availability of the board members.

All such selections are subject to the final approval of the President.

c. Petition for Rehearing

If a petition for rehearing is filed in a timely manner, then the full hearing panel must review and rule on the petition. The deadline to file a petition for rehearing is twenty (20) days after the decision has been sent to the Respondent.

The panel will review the petition and respond within fourteen (14) days, unless the entire hearing panel is unable to reconvene prior to the deadline. Meetings may be rescheduled due to inclement weather or other problems that prevent the full panel from reconvening.

B. Ethics/Professional Standards Committee

1. General

2. Fees

The Charlottesville Area Association of REALTORS® shall may impose an administrative processing fee of \$500 against Respondents found in violation of the NAR Code of Ethics or membership duties. Any administrative processing fee will be in addition to, and not part of, any disciplinary sanctions imposed. This amount will be automatically raised or lowered to any new maximum cap authorized by the NAR Code of Ethics and Arbitration Manual.

3. Pre-hearing

Due to the possibility that individual committee members may be disqualified from participating in specific cases, the Grievance Review does not need a quorum of members to issue a determination in a specific case.

The Chair of the Grievance Review will receive for review the complaint and any evidence and documentation attached prior to the day of the meeting. The Chair and Vice-Chair are authorized to view the files of any pending cases from which they have not been disqualified from participation. The senior member of the committee may review any files of pending cases when the Chair and Vice-Chair have both been disqualified from participating in the review.

If during the Grievance Review, the complaint is amended to include additional allegations, the Respondent will be provided with a copy of a form for each new allegation forwarded by the Grievance Review. The Complainant will be given an opportunity to sign the new amended allegation. If the Complainant signs the form, then the Complainant will argue the new charge before a hearing panel along with the original case. If the Complainant refuses to sign the amended form, then the Grievance Review may become the Complainant. In the case that a complaint is amended by the Grievance Review, the Respondent will be given the option of providing a second response.

CAAR has adopted the optional policy for an expedited ethics hearing process as outlined in optional NAR Manual Sections 20 (f)-(q). Once the Grievance Review forwards the complaint, the Respondent has three options: 1) sign an Optional Waiver of Hearing form, admitting to the violation and agreeing to sanctions; 2) proceed to a hearing; or 3) follow the Citation Policy detailed below.

4. Citation Policy

Upon receipt of a complaint, the Grievance Review may consider using the Citation Policy. In the event that the potential violation falls within the type of conduct listed in the Citation Policy and is eligible for a citation, the Grievance Review may issue a citation to the Respondent. The Respondent may then choose to pay the fine within ten (10) days or contest the citation and elect to proceed to a hearing in accordance with the NAR Manual.

The Administrative Fee for the Citation Policy is \$150.00. Refer to **Appendix A** for Citation Policy and Schedule.

5. Conduct of Hearing

CAAR has not adopted the optional procedures for informal dispute resolution of ethics complaints. Any participation in the alternative dispute resolution system for disputes between buyers and sellers does not apply to ethics cases. For these reasons, the reference to suspension of filing deadlines is stricken. NAR Manual Section 20(a).

Postponement of hearing: Postponement may be granted at discretion of hearing panel Chair.

Recording the hearing: The Board shall, and any party may, at their own expense, have a court reporter or recorder present at the hearing, or may record the proceeding, and, if transcribed, shall furnish a copy to the Professional Standards Administrator.

6. Publication

If the Respondent is found in violation of the NAR Code of Ethics a second time within three (3) years, the Respondent's name, the fact that the Respondent has been found in violation of the Code of Ethics, the Article(s) violated, and the discipline imposed will be published in the official communication vehicle of the Board. Such publication shall not include the name of the firm the Respondent is (or was) licensed or affiliated with. In cases where the violator's name is similar to another member's name, the violator's license number or office address (or both) may also be published. NAR Manual Section 23 (n) (Amended 11/99).

7. Withdrawn Complaints

Withdrawn complaints are covered in NAR Manual Section 21 (e) – Complainants may withdraw their complaints at any time prior to adjournment of the ethics hearing. However, if complainant withdraws the complaint after transmission of the Grievance Committee's decision to forward the complaint to a hearing and prior to adjournment of the ethics hearing, the complainant may not resubmit the complaint on the same matter. If complainant withdraws the complaint before transmission of the Grievance Committee's decision to forward the complaint to a hearing, the complainant may resubmit the complaint on the same matter so long as it is filed within the one-hundred eighty (180) filing deadline as defined in this Manual.

If a complaint is withdrawn by the Complainant after the Grievance Review determines the complaint requires a hearing, it will be referred to the Grievance Review to determine whether a potential violation of the public trust (as defined in Article IV, Section 2 of the National Association's Bylaws) may have occurred. Only where the Grievance Review determines a potential violation of the public trust may have occurred may the Grievance Review proceed as the Complainant.

When the Grievance Review acts as the Complainant in an ethics case, the Grievance Chairperson moves the case forward. The Chair of the Grievance Review may delegate this role to any member of the Grievance Review who is otherwise qualified.

Complainants may withdraw their complaints at any time prior to adjournment of the ethics hearing. However, if complainant withdraws the complaint after transmission of the Grievance Committee's decision to forward the complaint to a hearing and prior to adjournment of the ethics hearing, the complainant may not resubmit the complaint on the same matter. If complainant withdraws the complaint before transmission of the Grievance Committee's decision to forward the complaint to a hearing, the complainant may resubmit the complaint on the same matter so long as it is filed within the one-hundred eighty (180) filing deadline as defined in this Manual. If a complaint is withdrawn by the complainant after the Grievance Committee determines the complaint requires a hearing, it will be referred to the Grievance Committee to determine whether a potential violation of the public trust (as defined in Article IV, Section 2 of the National Association's Bylaws) may have occurred. Only where the Grievance Committee determines a potential violation of the public trust may have occurred may the Grievance Committee proceed as the complainant. (Amended 5/16)

8. Dismissal of Complaint

If the Grievance Review dismisses the complaint, the notice of dismissal shall specify the reasons for dismissing and the complainant may appeal the dismissal to the Board of Directors within twenty (20) days from transmittal of the dismissal notice using Form #E-22, Appeal of Grievance Committee Dismissal of Ethics Complaint. The complaint and any attachments to the complaint cannot be revised, modified, or supplemented. The complainant may, however, explain in writing why the complainant

disagrees with the Grievance Review's conclusion that the complaint should be dismissed. If the Grievance Review deletes an Article or Articles from an ethics complaint, the complainant may also appeal to the Board of Directors using Form #E-22, Appeal of Grievance Committee Dismissal of Ethics Complaint. The Directors (or a panel of Directors or the Executive Committee) shall consider only the information and documents considered by the Grievance Review, together with the complainant's rationale for challenging the dismissal and render its decision, which shall be final. The parties are not present at the meeting at which the appeal is considered.

C. Arbitration Committee/Mediation

1. General

The privilege to invoke arbitration and the duty to arbitrate is personal. Although any REALTOR® principal may invoke the arbitration facilities of an association and be required to arbitrate, REALTOR® principals may not delegate this privilege or obligation. NAR Manual Policy Statement # 43 (Adopted 11/98).

Voluntary arbitration will be offered as a service under each set of circumstances described in the National Association of REALTORS® CEAM Manual.

"Board" means this organization, either the Charlottesville Area (local) Association of REALTORS® or the Virginia (state) REALTORS®.

2. Duty to Arbitrate Before State Association

By becoming and/or remaining members of CAAR, all members bind themselves and agree to submit to arbitration by the arbitration facilities of the Virginia (state) Association of REALTORS® any dispute with a member of any other local Board of Virginia (state) Association of REALTORS®.

3. Fees

The Arbitration request deposit shall be in the amount of \$500 and is split from both the Complainant and Respondent and shall not exceed the maximum established by NAR. This deposit is due at the time of filing request from the Complainant and at the time of Response from the Respondent.

Deposits shall be held by CAAR if an arbitration case is placed in abeyance due to litigation.

Where parties successfully mediate an otherwise arbitrable dispute, 75% of the filing fee will be refunded.

4. Pre-Hearing Procedures

The Chair of the Grievance will review the documentation provided regarding an arbitration claim and then make a full report to the Review. Upon recommendation for a hearing, the Professional Standards Chair shall select the Hearing Panel Chair within the meaning of the Virginia arbitration statutes. NAR Manual Section 55.

5. Conduct of Hearing

NAR Manual Part Ten, Section 48, Option #3 is selected regarding signed agreements and deposits. By this reference, CAAR hereby adopts the optional Arbitration Award procedures referenced in the NAR Manual in Section 53(c-f).

Deposits shall be returned to the prevailing party upon completion of the hearing.

If there is a split award, 50% of each party's deposit shall be retained by CAAR for its expenses, and the arbitrators shall determine the disposition of the balance of both deposits.

6. Procedural Review

A written request for procedural review of the arbitration hearing procedures must be filed with the President of the Association within twenty (20) days after the award has been served on the parties and be accompanied by a deposit in the sum of \$250. The request for procedural review should cite the alleged procedural deficiencies or other irregularities the party believes constitute a deprivation of due process on the part of Hearing Panel members.

When a request for procedural review is received, the Professional Standards Administrator shall immediately send a copy to the other party, notify all parties of the time and place of the review by the Directors at least ten (10) days in advance, and bring the matter before the Directors for review at their next regular meeting or at a special meeting

called by the Professional Standards Administrator for that purpose. The request for procedural review may be heard by a panel of five (5) Directors. The decision of the panel shall be final and binding and shall not be subject to further review by the Board of Directors.

At the procedural review hearing, the party filing the request will have an opportunity to explain the basis on which the party is requesting that the award of the arbitrators be overturned. The Chair of the arbitration panel will have an opportunity to respond to the allegations. The other party shall have the opportunity to present the reason why the Hearing Panel's award is justified.

The Board of Directors shall not hear an appeal with respect to the merits of an arbitration award and shall not review evidence offered with respect to the merits of the award, except as such evidence may bear on a claim of deprivation of due process.

If the Directors determine that a substantial procedural error occurred, or a member was otherwise deprived of due process, they shall invalidate the original arbitration award and direct that the matter be referred to the Professional Standards Group for a hearing on the merits before a different Hearing Panel.

After all procedural remedies provided for have been exhausted; a member may assert any legal rights to which they are entitled in the court system.

The judgement of any competent court of record in Virginia, state or federal, may be rendered upon the award. NAR Manual Pg. 143, Section 56 Enforcement.

7. Withdrawn Complaints/Settlement

The parties to arbitration may settle the issue between them by agreement at any time. In such an event, upon notification to the Professional Standards Administrator, the arbitration proceedings shall be terminated, and the termination shall be recorded in the case file.

In the event that the parties settle and notify the Professional Standards Administrator at least one (1) day before the scheduled hearing, each party will receive a full refund of their deposit. CAAR will retain the deposits for any hearings cancelled less than one (1) day before the hearing to cover costs incurred up to the point of settlement of the dispute. NAR Manual Section 52.

8. Refusal to Arbitrate

In the event the Respondent fails or refuses to sign the Response and Agreement form, fails or refuses to make the required deposit, or fails or refuses to take part in the arbitration hearing, the hearing may be conducted in the absence of the Respondent.

Power to Take Disciplinary Action

On a member being convicted, adjudged, or otherwise recorded as guilty by a final judgment of any court of competent jurisdiction of a felony or a crime involving moral turpitude; on a member being determined by a court of competent jurisdiction, or official of the Commonwealth of Virginia authorized to make the determination, as having violated a provision of the Virginia real estate law or a regulation of the Virginia real estate licensing authority; or on a final judgment or determination by a court of competent jurisdiction or by an authorized federal, state, or local official that a member has violated the federal, state, or local fair housing law. NAR Manual Section 13(b).

Nature of Discipline

In addition to any discipline imposed, CAAR may, at its discretion, impose administrative processing fees not to exceed \$500 against respondents found in violation of the Code of Ethics or other membership duties. Any administrative processing fee will be in addition to, and not part of, any disciplinary sanction imposed. NAR Manual Section 14(i).

Appendix A – Citation Policy & Schedule

A Complaint alleging violation of the Code of Ethics is received by a local Association and channeled through the Grievance Committee:

1. The Complaint is forwarded to the Grievance Review. The Grievance Review will review the Complaint and decide whether conduct is subject to citation:
 - A. Assuming the allegations on the face of the complaint are true, is there a potential violation of the Code of Ethics?
 - B. Assuming there is a potential violation of the Code of Ethics, is the conduct the type that is prohibited by the Citation Schedule that has been adopted by the local association, i.e. a citable offense?
 - 1) If a citable offense then the Complaint and the attached citation is sent to violator, with copy to his Designated Realtor.
 - 2) Citations are not used for purpose of possibly increasing discipline at future ethics hearings.
 - C. If conduct is not eligible for citation, but possible violation of the Code of Ethics is alleged,
 - 1) Grievance Review has authority to amend complaint with additional alleged violations of Code of Ethics and/or the Bylaws of the local association and/or the Lockbox Rules.
 - 2) Matter will be sent forward for an ethics hearing according to the NAR Code of Ethics and Arbitration Manual.
 - D. If no possible violation is alleged, the Complaint will be dismissed and subject to the procedures set forth in the NAR Code of Ethics and Arbitration Manual.
2. In the event the Grievance Review found the conduct to be a citable offense, the violator has ten (10) days upon receipt of the citation to elect one of the following options:
 - A. Pay the assessed fine.
 - B. In the event that the Grievance Review requires the violator attend an Ethics Class, the violator must complete the required Ethics Class within the time frame set forth in the notice. The Grievance Review may, at its option, allow the fine to be reimbursed in full, or in part, upon completion of the required Ethics Class within the time frame in the provided notice.
 - C. Contest the citation and elect to proceed to a hearing in accordance with the NAR Code of Ethics and Arbitration Manual. At the option of the local association, if the violator elects to proceed to a hearing then the Complaint is returned to the Grievance Committee for further scrutiny and possible amendment according to the procedures set for by the NAR Code of Ethics and Arbitration Manual.
3. The citation will be kept in the violator's case file only for purposes of keeping track of the number of citations within a three-year (3) period and shall not be used to possibly increase discipline at a future, unrelated ethics hearing. Only three citations in a three-year (3) period may be issued to the same violator. When the number of citation limit is reached, no further citation can be issued, and all alleged violations must go through the procedures established by the NAR Code of Ethics and Arbitration Manual.
4. Failure to respond to the citation within ten (10) days of receipt will result in a warning letter that the matter will be forwarded for a hearing if no response is received within the following ten (10) days.
5. Failure to respond to the citation with twenty (20) days from the date of citation automatically results in an ethics hearing in accordance with the NAR Code of Ethics and Arbitration Manual with all its allowable sanctions.
6. Citations:
 - A. Local associations may adopt all or a part of the citation list but may not increase the citable offenses.
 - B. Amount of fine for citable offense:
 - 1) Fines may not exceed maximum allowable by the NAR Code of Ethics and Arbitration Manual.

- 2) The local association may adopt, at their option, graduated fines for multiple violations.
- 3) The Administrative Fee for the Citation Policy will be \$150.00.

The local Association may elect to mandate ethics training as an alternative to paying the fine.

Code of Ethics

Article 1		
	Failure to disclose dual representation and obtain written informed consent from both parties	\$500
	Providing access or use, or permit or enable others to access or use, listed or managed property on terms or conditions other than those authorized by the owner or seller.	\$500
Article 3		
	Failure to disclosure existence of a dual or variable rate commission.	\$400
	Failure to disclose existence of other contracts to cooperating brokers.	\$250
	Providing access to listed property on terms other than those established by the owner or listing broker.	\$500
Article 4		
	Failure to disclose Realtor's interest in a property being bought or sold	\$300
Article 5		
	Providing professional services without disclosing interest in the property	\$300
Article 6		
	Accepting any commission, rebate or profit on expenditures without client's knowledge or consent	\$400
Article 9		
	Failure to fill out all necessary forms fully and completely	\$200
	Failure to obtain necessary signatures on forms	\$400
Article 12		
	Failure to present a true picture in real estate communications and advertising	\$250
	Failure to disclose professional status in advertising or other real estate communications	\$150
	Advertisement offering to sell/lease property without the authority of the owner or the listing broker	\$500
	Failure to disclose name of firm in advertisement for listed property	\$150
	Claiming to have "sold" a property when not the listing broker or cooperating broker	\$250
Article 14		
	Failure to cooperate in any professional standards proceeding	\$500
Article 16		
	Use terms of an offer to modify listing broker's offer of compensation	\$400
	Placement of for sale sign/lease on property without permission of landlord/seller	\$200

Regional Rules and Regulations for Lockbox Systems

Policy 3		
	Use of lockbox to gain unauthorized access to a property	\$500
Policy 5		
	Attaching PIN to key	\$450
	Sharing PIN with another person	\$450
	Lending card or property key to another person	\$500
	Duplicating property key	\$500
Policy 10		
	Using lockbox to enter a property while not holding a current license	\$500
Policy 17		

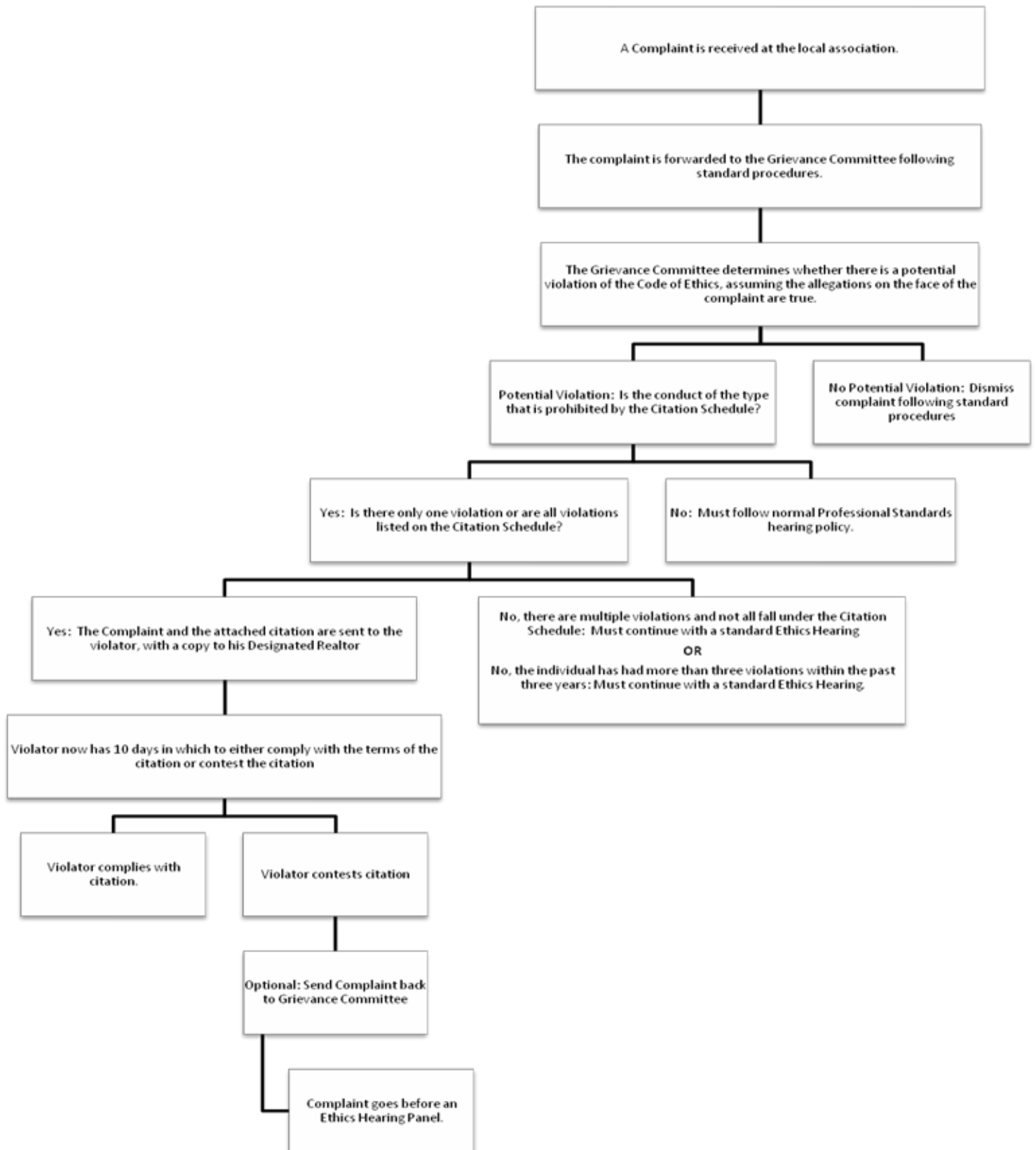
	Publication or distribution of Call Before Showing codes	\$450
	Failure to remove lockbox within 48 hours of settlement	\$250

*Review lockbox policy statement

Appendix B – Table of CAAR Fees

Fee Title	Amount	Location within Professional Standards Policy Manual
Administrative Processing Fee for All Hearings	\$500.00	I.E, III.B.2
Administrative Processing Fee for Citation Policy	\$150.00	I.E, III.B.4, Appendix A 6.B.3
Administrative Processing Fee for Waived Hearing	\$250.00	
Administrative Processing Fee for Mediation	\$125.00	I.E, III.C.8
Appeal Deposit (Either Professional Standards or Arbitration)	\$250.00	I.E, III.A.6.b, III.C.2, III.C.5
Copies of Documents for Hearings When Less than 7 Copies Provided Less than 15 Days Before Hearing	\$0.50 per page	III.A.2.b
Hearing Audio Tape Duplication	\$5.00	I.E
Returned Check Fee	\$50.00	I.E.
Transcript of Hearing	½ CAAR transcription fee	III.A.3

Appendix C – Citation Policy Decision Tree



CAAR POLICY MANUAL- APPENDIX D

Charlottesville Area Association of REALTORS®



Investment Policy Statement

Adopted 6-15-00
AMENDED 2-12-15
AMENDED 5-17-18
AMENDED 9-9-20

Introduction and Definitions

This Investment Policy Statement has been adopted by the Board of Directors of the Charlottesville Area Association of REALTORS® ("CAAR") to provide guidelines for the investment of funds held by the Association.

For the purposes of managing investment risk and to optimize investment returns within acceptable risk parameters, the funds held will be divided into three separate investment pools. The process for determining the dollar amount in each pool is set forth in the "Procedures" section of this document. The three investment pools shall be called the "**Operating Fund**", the "**Short-Term Fund**" and the "**Long-Term Fund**".

- The Operating Fund is comprised of cash needed in a timely manner to conduct the regular business operations of the organization.
- The Short-Term Fund is comprised of the CAAR Legal Defense Fund, Member Deposits Fund and the portion of the Capital Improvement Fund needed in the next twelve (12) months.
- The Long-Term Fund is comprised of funds held for future expenditures and long-range activities, and to ensure the financial stability of the Association. It also includes the portion of the Capital Improvement Fund not needed during the next twelve (12) months.

Procedures

1. The following procedures will be followed to ensure the investment policy statement is consistent with the current mission of CAAR and accurately reflects the current financial condition:
 - A.) This Investment Policy Statement shall be reviewed annually by the Operations Master Group's Investment Project Team for any necessary revisions or modifications.
 - B.) Recommendations for any revisions or modifications will be made to the Operations Master Group for approval.
 - C.) Recommendations for any revisions or modifications approved by the Operations Master Group will be made to the Board of Directors for approval.

2. The following procedures will be used to determine the dollar amounts to be placed in the Short-Term Fund and the Operating Fund. Dollars not specifically designated for the Short-Term or Operating Funds will be restricted to investments designated in the "Investment Guidelines" for the Long-Term Fund.
 - A.) The Operations Master Group's Investment Project Team during its quarterly meetings will review the Association's investable funds and its current financial position with the Association's CEO and the Association's Investment Advisor and recommend changes in the dollar amounts needed in the Association's designated funds. This review will include the Association's Capital Improvement Fund needs for the next twelve (12) months.
 - B.) Recommendations for any revisions or modifications to the balances in the designated funds will be made to the Operations Master Group for approval.
 - C.) Recommendations for any revisions or modifications approved by the Operation Master Group to the balances in the designated funds will be made to the Board of Directors for approval.
 - D.) The Board of Directors will have final approval of the dollar amounts placed in specific funds.

3. The procedures for changing an Association investment will be as follows:
 - A.) The Investment Advisor has the authority to make changes to any investment (both for buying and selling) within the Association's approved guideline for type, amount and quantity of any investment and/or investment option.
 - B.) Changes to Association investments will be reported to the Association Treasurer as they occur.
 - C.) The Investment Advisor will make recommendations on the best allocation of investable funds among current market options.
 - D.) The Investment Project Team will review the Association's approved guideline for type, amount and quantity of any investment and/or investment option.
 - E.) Recommendations for any revisions or modifications to the Association's guideline for type, amount and quantity of any investment and/or investment option will be made to the Operations Master Group for approval.
 - F.) Recommendations for any revisions or modifications to the Association's guideline for type, amount and quantity of any investment and/or investment option approved by the Operations Master Group will be made to the Board of Directors for approval.
 - G.) Quarterly reports to the Board of Directors will be made by the Association's Treasurer detailing changes to the Association's investable funds balances, performance achieved and current market conditions. The Treasurer will report approved recommendations to the Board of Directors for changes to the Association's investable fund balances and investment guidelines.
4. The procedures for changing an Investment Advisor will be as follows:
 - A.) The Investment Project Team will review the performance of the Association's Investment Advisor every three (3) years or at the direction of the Board of Directors. The review process can include interviewing the current advisor and other potential candidate(s). The current Investment Advisor will only be present in those meeting if they are a candidate to be interviewed.
 - B.) Recommendations for any revisions or modifications to the Association's Investment Advisor will be made to the Operations Master Group for approval.
 - C.) Recommendations for any revisions or modifications to the Association's Investment Advisor approved by the Operations Master Group will be made to the Board of Directors for approval.
5. The Operations Group's Investment Project Team will follow these procedures:
 - A.) The Investment Project Team shall consist of five to seven members including the Association President-Elect, who is chair; Operations Group Vice-Chair, the Association Treasurer, two (2) REALTORS® who possess backgrounds in finance and/or investment activities, and up to any two (2) other members of the Association appointed by the President-Elect.
 - B.) The Association's CEO and the Association's Investment Advisor will be invited to all Investment Project Team meetings. If a meeting is for purposes of interviewing Investment Advisor candidates, the current Investment Advisor will not be present, unless they are a candidate.

- C.) They will meet quarterly (one-week prior to the Operations Master Group's scheduled meeting) to discuss changes in the Association's financial position, goals, needs and levels of funds available for investment. They will also discuss the current and perceived future Investment market conditions.
- D.) They will be available between scheduled meetings to monitor, discuss and as necessary make recommendations based on unexpected changes in Investment market conditions as presented by:
 - a. any member of the Investment Project Team;
 - b. the Association's CEO; and
 - c. the Association's Investment Advisor.
- E.) The Investment Project Team will timely report changes of any Association investment to the Operations Master Group.

CAAR Operating Fund

Purpose

The purpose of the Operating Fund is to provide enough cash to meet the financial obligations of the CAAR in a timely manner.

Investment Objectives

The investment objectives of the Operating Fund are:

- 1.) Liquidity;
- 2.) Preservation of capital; and
- 3.) To optimize the investment return within the constraints of the policy.

Investment Guidelines

Allowable Investments

The Investment Advisor shall be authorized to invest the CAAR Operating Fund as follows:

- 1.) Checking accounts in U.S. federally insured financial institutions 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 the maximum insured amount per institution;
- 4.) Direct obligations of the U.S. Government, its agencies and instrumentalities;
- 5.) Repurchase agreements in conjunction with bank sweep accounts collateralized by U.S. Government obligations; and
- 6.) Municipal Bonds, where applicable to take advantage of non-taxable income.

Maturity

The maturities on investments for the Operating Fund shall be limited to twelve (12) months or less.

Diversification

The Association's Investment Advisor will determine the best diversification and mix of investment vehicles for the Association's investable funds to achieve the highest rate of return within the Association's stated guidelines for investing such funds. The Association's Investment Advisor will recommend changes based on existing market conditions and expectations to the mix of investment vehicles (as well as changes in positions of any investment held by the Association) used by the Association to the Association's Treasurer for approval.

Performance Reporting

The Operating Fund will be evaluated quarterly on a total return basis. Returns will be compared to:

- 1.) General Market rates of return;
- 2.) Three-month (3) Treasury Bill Index ; and

- 3.) Nationally recognized indices measuring the performance of the classes specified in the target asset mix.

Comparisons will show results for the latest quarter, year-to-date and since inception. The report will be prepared by the Investment Advisor and will be presented to the Board of Directors on a quarterly basis by the Association's Treasurer.

CAAR Short-Term Funds

Purpose

The purpose of the Short-Term Fund is to meet the expenses occurring as the result of unanticipated activities and funds designated for deposits and legal defense, to improve the return on funds held for expenditure over the next one (1) to two (2) years, and to manage investment risk.

Investment Objectives

The investment objectives of the Short-Term Fund are:

- 1.) Preservation of capital; and
- 2.) Liquidity; and
- 3.) To optimize the investment return within the constraints of the policy; and
- 4.) Preference should be given to FDIC backed products.

Investment Guidelines

Allowable Investments

The Investment Advisor shall be authorized to invest the CAAR Short-Term Fund as follows:

- 1.) Money market funds that invest in government-backed securities;
- 2.) U.S. Federally-insured certificates of deposit not to exceed the maximum insured amount per institution;
- 3.) Direct obligations of the U.S. Government, its agencies and instrumentalities;
- 4.) Commercial paper rated A-1/P-1 by Standard & Poor's and Moody's;
- 5.) Corporate notes with a minimum rating of investment grade by one rating service;
- 6.) Municipal Bonds, where applicable to take advantage of non-taxable income; and
- 7.) Other Investment options unanimously agreed to by the Investment Project Team.

Maturity

The Short-Term Fund shall have a weighted average maturity of two (2) years or less.

Diversification

The Association's Investment Advisor will determine the best diversification and mix of investment vehicles for the Association's investable funds to achieve the highest rate of return within the Association's stated guidelines for investing such funds. The Association's Investment Advisor will recommend changes based on existing market conditions and expectations to the mix of investment vehicles (as well as changes in positions of any investment held by the Association) used by the Association to the Association's Treasurer for approval.

Performance Reporting

The Short-Term Fund will be evaluated quarterly on a total return basis. Returns will be compared to:

- 1.) General Market rates of return;
- 2.) Twelve-month (12) Treasury Bill Index ; and
- 3.) Nationally recognized indices measuring the performance of the classes specified in the target asset mix.

Comparisons will show results for the latest quarter, year-to-date and since inception. The report will be prepared by the Investment Advisor and will be presented to the Board of Directors on a quarterly basis by the Association's Treasurer.

CAAR Long-Term Fund

Purpose

The purpose of the CAAR Long-Term Fund is to enhance the purchasing power of funds held for future expenditure and to maintain the financial stability of the Association.

Investment Objectives

The objectives of the portfolio represent a long-term goal of maximizing returns without exposure to undue risk, as defined herein. It is understood that fluctuating rates of return are characteristic of the securities markets. The primary concern should be long-term appreciation of the assets and consistency of total return on the portfolio. Recognizing that short-term market fluctuations may cause variations in the account performance; the portfolio is expected to achieve the following objectives over a three-year (3) moving time period:

- 1.) The account's total expected return should exceed the General Market rate of return. On a quarter-to-quarter basis, the actual returns will fluctuate and can be expected to exceed the target most of the time. Note that in times of a Bear Market defined as three consecutive quarters of a declining market, the Association returns may not exceed the General Market rate of return.
- 2.) The account's total expected return should exceed the change in the Treasury Bill Index by a minimum of 3% annually. On a quarter-to-quarter basis, the actual returns will fluctuate and can be expected to exceed the target most of the time.
- 3.) Understanding that a long-term positive correlation exists between performance volatility (risk) and statistical returns in the securities markets, we have established the following short-term objective:
 - a. The portfolio should be invested to minimize the probability of low negative total returns. It is anticipated that a loss greater than this will occur no more than one (1) out of twenty (20) years.

Investment Guidelines

The investment policies and restrictions presented in this statement serve as a framework to achieve the investment objectives at the level of risk deemed acceptable. These policies and restrictions are designed to minimize interference with efforts to attain overall objectives and to minimize the probability of excluding appropriate investment opportunities.

Prohibited Investments

The following investments and investment activities are prohibited:

- 1.) Private placements;
- 2.) Letter stock;
- 3.) Derivatives. However, to the extent that mutual funds are used by CAAR, the mutual funds may buy or sell derivatives for the purposes of managing portfolio risk;
- 4.) Commodities or commodity contracts;
- 5.) Short sales;
- 6.) Margin transactions; and
- 7.) Any speculative investment activities.

Diversification

The Association's Investment Advisor will determine the best diversification and mix of investment vehicles for the Association's investable funds to achieve the highest rate of return within the Association's stated guidelines for investing such funds. The Association's Investment Advisor will

recommend changes based on existing market conditions and expectations to the mix of investment vehicles (as well as changes in positions of any investment held by the Association) used by the Association to the Association's Treasurer for approval.

Performance Reporting

The Long-Term Fund will be evaluated quarterly on a total return basis. Returns will be compared to:

- 1.) General Market rates of return;
- 2.) Three-month (3) Treasury Bill Index plus 3%; and
- 3.) Nationally recognized indices measuring the performance of the classes specified in the target asset mix.

Comparisons will show results for the latest quarter, year-to-date and since inception. The report will be prepared by the Investment Advisor and will be presented to the Board of Directors on a quarterly basis by the Association's Treasurer.

Charlottesville Area Association of REALTORS®



Code of Public Policy

Established September 20, 2012
Reaffirmed by CAAR Board of Directors July 22, 2020



Code of Public Policy

2020 Board of Directors

Tom Woolfolk – President
Quinton Beckham – President Elect
Pam Dent- Treasurer
Tele Jenifer - Immediate Past President

Rives Bailey - Director
Rachel Burns - Director
Anne Burroughs - Director
Mary Katherine King - Director
Georgia Lindsey - Director

Aaron Mannis - Director
Kathy Markwood - Director
Tom Pace - Director
Ginger Slavic – Director
Keith Smith – Director

2020 Public Affairs Group

Emily Dooley - Chair
Ty Smith - Vice-Chair

Kim Armstrong
Jim Dickerson
Anita Dunbar

Peg Gilliland
Sue Plaskon
Tom Rainey

John Updike
Tammy Wilt

2020 Code of Public Policy Project Team

Kim Armstrong
Christine Dereemer
Jim Dickerson
Emily Dooley
Mary Katherine King
Tara Savage
John Updike



Strategic Plan

CAAR Mission: To support our REALTOR® members to be professional, ethical and successful.

CAAR Vision: The REALTOR® is indispensable to every real estate decision.

VALUES

We share these core values. They guide our behavior, our interactions and the work to accomplish our strategic goals:

1. We are open-minded
 - A. We innovate. We value forward and new thinking
 - B. We embrace people and their situation even if not able to give 100% time or participation
 - C. We are flexible to change
 - D. We widen our scope from only members to the public, media and the consumers we serve
2. We are inclusive
 - A. Of all members and their location (in and outside of Charlottesville and Albemarle counties)
 - B. We think about more than homeownership – but property ownership (beyond our residential business)
 - C. We represent diversity in ideas and implementation
3. We are collaborative
 - A. We will engage in healthy debate to make solid decisions – together
 - B. We will respect the decisions of the group
 - C. If we disagree we will bring it up to the group (not among a segment of the group)

STRATEGIC GOALS

CAAR is committed to being relevant and valuable to our membership. These goals and objectives highlight how we intend to channel our resources and attention. Together CAAR leadership and staff will pursue the following goals:

1. Propel CAAR's Value Proposition
2. Cultivate Innovation
3. Strengthen the REALTOR® Voice
4. Protect Property Rights & Homeownership Opportunities



Introduction

The Charlottesville Area Association of REALTORS® serves more than 1,400 real estate professionals and affiliate members throughout Central Virginia. Widely recognized as a leading voice for real estate since 1925, CAAR members bring professionalism and high ethical standards to every business transaction. The Association advocates for the protection of private property rights and provides tools and technology for members to achieve expertise in serving the needs of customers and clients. The CAAR membership is committed to enriching the region's neighborhoods by engaging in a variety of educational programs, as well as community service events each year.

CAAR is dedicated to protecting the right of individuals to own real property. Political stability and the economic prosperity of the community are dependent upon private property ownership, and CAAR opposes undue actions that diminish or deny the full and free exercise of this right.

Core Principles:

- We believe individually and collectively, we should actively work towards a diverse, inclusive, and equitable community, where all citizens, whatever their gender, race, ethnicity, national origin, age, sexual orientation or identity, education or disability, are valued and respected.
- We believe in nondiscriminatory approaches and equal opportunity and advancement. We respect and value diverse life experiences and heritages and ensure that all voices are valued and heard. CAAR members are committed to modeling diversity and inclusion for the entire community and to maintaining an inclusive environment with equitable treatment for all.
- As a cornerstone of the democratic republic system of government, homeownership deserves a preferred place in this country's value system. Homeownership positively impacts community, civic, economic and business responsibilities and contributes to employment stability, family security, and personal well-being.
- Prosperity and property rights are inextricably linked. Any restraint on private property rights shifts the balance of power from personal attributes toward impersonal attributes and toward only the behavior that political authorities approve. That is a fundamental reason for the preference of a system of strong private property rights: private property rights protect individual liberty.
- Every individual should have the opportunity to live in a safe and vibrant community.



Code of Public Policy

- All persons in the community should have the right to equal-opportunity housing. They should be able to rent or purchase their shelter of choice regardless of race, color, religion, gender, sexual orientation, handicap, familial status, or national origin.
- Active involvement in political activity is a right and is the responsibility of every citizen. CAAR encourages participation in political, governmental and legislative affairs at the local, state and national level and supports those candidates who, by their actions, pledge to preserve and strengthen the underlying principle of private property ownership.
- Private property rights include the rights of owners and tenants of raw land, agricultural land, commercial properties, rental housing as well as homeowners.
- Agricultural needs and benefits, along with social and economic factors, must be considered when developing land-use policies that will determine the future growth of the city, state, and nation. While it is recognized that the demands are not mutually exclusive, a balance must be achieved between agricultural production, environmental conservation, open space, employment opportunities, and economic vitality.



Specific Public Policy Positions

CAAR's Public Policy Positions encompass many policy areas and are not exclusive to one political party or viewpoint. Those include: affordable housing, transportation funding, eminent domain, zoning authority, real estate transaction fees, development costs and requirements, private property rights, environmental protection and many others.

Housing – *Advocating for fair, equitable housing policies that provide options for safe and secure shelter.*



As an Association, we reaffirm our commitment to the goal of a suitable living environment for every family. We believe that this objective can be served best by a healthy housing market accomplished in an economic environment that fosters an ample supply of affordable housing.

CAAR acknowledges and steadfastly supports the right of all people to freely choose where they will live, regardless of race, age, color, religion, sex, handicap, familial status, veteran status, ancestry, source of income, sexual orientation or national origin. This right is protected under federal and/or state fair housing laws.

We believe that the real estate industry, non-profit partners (i.e.: Albemarle Housing Improvement Program, Habitat for Humanity, Piedmont Housing Alliance, and Thomas Jefferson Land Trust) and the state and local governments all can work together in establishing policies and programs which promote an adequate supply of affordable owner-occupied and rental housing, and which reduce regulatory and other barriers to housing availability and affordability.

We believe public safety (Police, Fire, Emergency Medical Services) is a core function of local government. Public safety functions must be appropriately equipped, trained, and staffed (career and volunteer) to serve the needs of the entire community.

Issues of workforce housing and varied consumer choice in housing products are an important part of a healthy housing market.

We continue to believe that private property ownership and homeownership are two of the most important pillars of our society.

We believe senior housing opportunities should be encouraged to be located near support services.

Government & Political Advocacy – *Advocating for an efficient, effective, and transparent representative government.*



We support the fundamental right of every citizen to participate in the governmental process by freely and openly expressing his or her ideas, views or opinions about matters facing government at all levels.

We believe voters should choose their elected officials not the other way around; therefore, we support nonpartisan redistricting of political boundaries. We believe in redistricting to create compact and contiguous districts and to meet U.S. Supreme Court standards for equality of population and compliance with the Voting Rights Act. Specifically, districts shall not be drawn to favor any political party, an incumbent legislator or member of Congress, or any other person or group, or for the purpose of augmenting or diluting the voting strength of a language or minority group.

We oppose any limits, restrictions or other infringements on the right of a person, whether as an individual or as a member of an organization, to use any and all legal methods in attempting to affect the decisions and the course of government. We believe this is necessary in order to have a representative and responsive government.

Any attempt to reduce the participation of voluntary political action committees undermines a basic political freedom and civic right. Candidates should be encouraged to seek support from many diverse sectors of the electorate to ensure representation of the widest spectrum of viewpoints.

We encourage maximum possible transparency in all aspects of government: local, state, and federal.

As an Association covering many municipalities, we recognize that some issues are regional in scope and require cooperation between local governments. We encourage such cooperation provided it is completed transparently and in the public view.

We believe economies of scale can be achieved by localities working across jurisdictional boundaries. We encourage localities to consider consolidation of citizen services (police, fire, schools, etc.) where such consolidation results in an improvement of goal attainment and/or economic efficiencies.



Economic Vitality & Quality of Life – *Advocating for expanding economic opportunity and the pursuit of happiness.*

We recognize job creation through continued economic development is critical to the financial stability of our regional economy. We support strong economic development programs to include components for workforce training and workforce housing.

CAAR believes a robust communications infrastructure, including cellular technology and broadband, is imperative to economic growth, equity, and to increase the value of real property. We encourage public private partnerships (PPPs) to stimulate the deployment of broadband and cellular, increase data speeds, increase coverage, and lower the cost for businesses and consumers.



We believe consumer choice in housing types, and price points is an integral part of any economic vitality program. A well-rounded workforce that can live in the same community where it works builds stronger families, better communities, and reduces transportation demands.



We believe governmental economic development initiatives should not focus only on high-income employment opportunities but should include attracting industries with career ladder jobs that will allow future generations to have lifelong employment opportunities.

We believe all participants in the marketplace deserve an equal playing field; therefore, all enterprises, commercial, institutional, and charitable, should be required to follow the same regulations and pay the same fees regardless of their tax status.

Land Use Regulations – *Advocating for reduced regulatory burden that appropriately protects the rights of landowners and balances environmental and community needs with housing and other market demands.*

We support the use of local zoning ordinances as a method of imposing reasonable, flexible guidelines for protecting the safety and well-being of the community.

We encourage local governments to solicit the public, and especially the real estate community, to provide input on zoning and planning matters prior to taking action on such matters. We believe any and all regulations should be administered in a fair and equitable

manner. The economic impact of all regulations, including proffers, (on the locality and the end user) should be calculated and considered.



We support the current land use taxation abatement program as it fosters the conservation and stewardship of forests, agricultural land, and open spaces. We also support regular revalidation to ensure proper use of the program.

We recognize the importance of Virginia’s Right to Farm Act which protects landowners’ ability to operate bona fide agricultural operations absent onerous local regulations.

We also encourage local governments to adopt land use and zoning policies that allow developers to meet consumer demands for a variety of residential, commercial, recreational and industrial uses while providing for open spaces and the protection of environmentally sensitive areas. We believe a vibrant market demands more than just one model form of development.



We recognize that factory-built housing, manufactured housing, and other types of non-stick-built housing provide an affordable alternative to traditional types of housing and expand ownership opportunities. We advocate the adoption of local planning, zoning, and lending policies that encourage the development and availability of all housing types. We oppose state and local policies that limit, or effectively prevent, innovation and development that serve to meet housing needs and changing market demands.

We support and encourage policies that promote redevelopment in urban areas, such as programs that encourage “in-fill” development and redevelopment of brownfield sites.

We encourage local governments to consider how their extensive, time consuming development review process and proffer policies can negatively impact housing affordability, business creation and commercial development.

We encourage flexible land use and zoning regulations to allow for a diversity of housing options including, but not limited to, Accessory Dwelling Units (ADUs), Tiny Homes, and Multi-Family housing options in most zoning districts.



We believe that many current land use and zoning laws and policies serve as an impediment to innovative planning and development by landowners, thus limiting economic advancement. Specifically, we believe cash proffers inhibit rezoning applications generating more by right development, contrary to the community vetted Comprehensive Plan. We encourage cooperative efforts with state and local officials to remove such impediments.

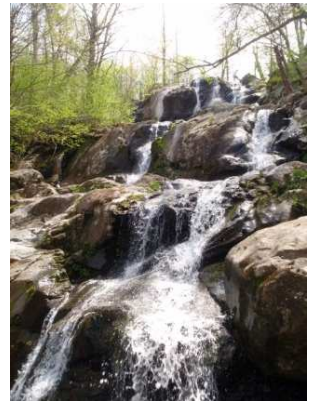


We believe urban growth boundaries (UGBs) have negative impacts by limiting supply. To mitigate this concern, any UGB must include enough developable land to meet market demands. The UGB should be reviewed, recalculated, and revised at least every five years to prevent a scarcity of developable land in any zoning category.

We believe when a locality designates a geographic area for future development, the locality should streamline the development approval process, allow all types of housing, a variety of residential densities, and support that area with increased infrastructure investment.

Environment – *Advocating for solid, sensible environmental regulations that strike a proper balance between property owner rights and good stewardship of the environment.*

We believe voluntary programs and flexible incentives generate significantly improved participation over government mandates. In addition, we advocate for flexibility in design regulations to permit, but not require, green building, energy efficiency, and aging in place.



We support legislation that encourages voluntary energy efficient improvements to buildings. We also support legislative encouragement to foster advancement of energy efficiency components in new home construction. We support initiatives to increase the development and voluntary use of alternative energy sources to reduce dependency on non-renewable forms of energy.

We believe consumer access to water supply is an important property right and should not be used as a growth control tactic. In areas with municipal water systems, users, not taxpayers, should bear the cost of installation, maintenance, and repair of such systems.

Education – *Supports a variety of quality educational opportunities - public and private – from the earliest stages of childhood learning through technical and higher education.*

We believe vibrant, accredited strong public and private school systems are a benefit to the entire community.

We believe our region’s greatest asset is its people. Not only does an educated population provide businesses with a productive workforce, it also serves as a hotbed for economic development through organic entrepreneurship.

As REALTORS®, we realize the importance of quality schools to the local housing market. The quality of education can be a driving force in the economic vitality of our residential and business communities. While we support investment in education, we also believe governments should explore opportunities for efficiencies, including consolidation of administrative functions, utilization of alternate tools, such as virtual education, and other unique and innovative methods to reduce educational infrastructure demands and maximize each student’s learning experience.

It is critical to equal educational opportunity that every student has access to internet infrastructure to be able to receive and participate in virtual learning programming.



We believe it is essential that educators work cooperatively with employers to provide programs that support workforce development and prepare students for career ladder employment and impart an understanding of basic economics and encourage good citizenship.

Transportation – *Advocating for a modern, safe, efficient, comprehensive, integrated, adequately funded multimodal transportation network.*

We recognize the need to develop a balanced transportation system that can effectively move people and products throughout the region while enhancing the economy and preserving a high quality of life. We believe that our transportation system, provided by the state and in conjunction with local governments, should be funded by broad-based and reliable revenue sources.

We believe the funding of transportation to be a core competency of state government.

We believe the efficient, independent operation of both the Charlottesville Albemarle Airport (CHO) and the





Charlottesville rail station provides not only a convenience for residents, but also significant economic benefit and opportunity for the region.



We believe adequate and affordable public parking options are critical to the economic vitality and quality of life of a community. While residents and businesses play a role, we believe parking is the primary responsibility of the municipality.

Communities should work collaboratively to establish

Transportation Demand Management (TDM) plans regarding how government, enterprises, and residents will mitigate their effect on parking and traffic congestion (potential incentives to use transit, on-demand transit, carpool or bike to work). All local transit options should be evaluated to ensure they adequately serve the needs of the community allowing citizens effective, efficient, transportation options.

Local transportation infrastructure improvements are essential to the continued economic vitality of the region. Local officials must commit to actionable tasks, beyond additional study, to construct a transportation network that serves the needs of current and future residents and businesses.

Taxation – *Advocating for an equitable multifaceted tax system that recognizes the value of home ownership and good property stewardship to the community.*



We believe excessive taxation of real estate is detrimental to housing affordability and availability and has a negative impact on the region’s overall growth and economic well-being. We promote tax policy that encourages real estate investment in our community.

We recognize that the property tax is a basic component of the financing of local government services. We pledge our support in the development of proposals to more equitably distribute the burden of paying for government services.

We support the use of tax incentives such as mortgage interest deduction, verified land use taxation, historic tax credits, and real property improvement tax abatement as these programs advance homeownership and good property stewardship. In addition, we support local, state, and federal tax programs designed to increase affordable housing which includes owner-occupied, rental, and investment property.



REALTORS® Political Action Committee (RPAC) of Virginia is a voluntary political action committee whose membership consists of REALTORS® and others interested in actively and effectively protecting the real estate industry and the dream of home ownership by participating in governmental affairs at the local, state and federal levels.

CAAR members independently support RPAC through voluntary contributions.

RPAC of Virginia helps protect the industry by funding those candidates for elective office who best represent the concerns of this industry. In this way, RPAC of Virginia impacts key issues in the General Assembly (like defeating transfer taxes and impact fees and protecting REALTOR® interests). Many other issues of importance to the membership of the Virginia REALTORS® (VaR) also are affected by RPAC of Virginia's activities.

Thirty percent of RPAC of Virginia funding goes to National Association of REALTORS® who leverages dollars to participate in very costly federal elections; seventy percent stays in Virginia to protect the industry at the state and local levels.

RPAC of Virginia is not affiliated with the Republican or the Democratic Parties and does not support one candidate over the other because of party affiliation. RPAC of Virginia supports only those candidates who have indicated or demonstrated that they are interested in pro-REALTOR® or pro-business issues.

If the candidate is an incumbent, the trustees look at how well the candidate has worked with the local REALTORS® he/she represents, how he/she voted on key issues and worked with VaR lobbyists, what committees he/she serves on and what his/her chances are for re-election. If the candidate is not an incumbent, then the trustees rely heavily on answers to candidate questionnaires and local Association input from candidate interviews.



10231 Telegraph Rd
Glen Allen, VA 23059
Tel. (804) 264-5033

Even though our primary focus is limited to our local jurisdiction, CAAR works closely with the **Virginia REALTORS®** (VaR) on state issues. VaR support helps keep our members informed and engaged at the state level. During the early stage of the state legislative sessions, REALTORS® from around Virginia gather in Richmond to discuss proposed legislation.

CAAR members participate in Public Policy development and weekly conference calls during the legislative session. CAAR meets with its legislative representatives on all levels of government regularly to discuss our priorities.





Code of Public Policy



**National Association of
REALTORS®**

(800) 874-6500

430 N. Michigan Ave.
Chicago, IL 60611-4087

500 New Jersey Ave. NW
Washington, D.C. 20001-2020

Just as CAAR works closely with the Virginia REALTORS®, the Association has the same connection with the **National Association of REALTORS®** on federal issues. Support from NAR allows CAAR members to stay informed and engaged at the national level. Every May, the National Association of REALTORS® hosts an annual convention in Washington D.C. where REALTORS® from around the nation gather to share ideas and discuss a variety of issues. For updates and additional information, visit the National Association of REALTORS® Web site, realtor.org.



CAAR POLICY MANUAL- APPENDIX F

Charlottesville Area Association of REALTORS®



Group Operations Manual

Revised 10-31-18

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Appointment Process and Group Formation

The incoming President will select the Chairs, Vice-Chairs, and members of the various Groups and other organized bodies of the Association as per the requirements described in the CAAR Bylaws, Policy and Procedures Manual, or approved Workgroup Authorization Form for each such body.

It is recommended that selected Chairs should already have served on the respective Group or related working group. Service on Standing Groups shall be concurrent with the Association's elective year. Group chairs may not serve more than two (2) consecutive years in their respective position. The President may remove and reappoint any Group Chair, Vice-Chair, or member.

Notification letters will be sent to appointees, members who applied but were not appointed, and members currently serving who were not reappointed. CAAR staff will promptly report any declined appointments to the CEO who will communicate this information to the incoming President.

Upon accepting an appointment, the volunteer will receive a confirmation notification from CAAR. The Antitrust & CAAR Volunteer Service Agreement will be reviewed by the Chair at the first meeting.

The Staff Liaisons will confirm that new Group Chairs, Vice-Chairs, and members have been notified of appointments. The CAAR CEO, or staff member designated by the CEO to oversee governance and Group operations, will be responsible for the timeliness of all notifications.

Role of the Group Staff Liaison

Where the term “Group” is used it applies to all Groups, Sub-Groups, Project Teams, and other organized bodies of the Association.

The role of the Group Staff Liaison is to act as a partner, advisor, and aide to the Group to which assigned and to look to the Group leaders and members for practitioner/member high-level vision and goals that can inform CAAR staff when creating strategy and structure to complete member-impacting projects or initiatives. The Group leadership will look to the staff liaison for regular communication; advice, counsel, ideas, and perspective; institutional knowledge; and to provide administrative support (details, documents, agendas, minutes, etc.).

The Staff Liaison should understand the role of the Group or organized body within the Association and should be familiar with the CAAR bylaws, strategic plan, policies and procedures, Group minutes, budget, and Group operating procedures (*See Parliamentary Procedures Guide, Attachment 1*). Staff Liaisons are expected to prepare and plan for effective meetings – send meeting notifications, agendas with supporting documents, and minutes in a timely manner, and solicit the advice of members regarding the Group goals and objectives.

As soon as practical, Staff Liaisons should schedule a meeting with the Group Chair and Vice-Chair to get acquainted and to specifically discuss/develop:

- Expectations;
- Respective work styles;
- Issues, initiatives, and objectives the Group may consider;
- Yearly calendar and plan of work;
- Knowledge of the Group charge/mission as well as duties (budget, program direction, meeting management, antitrust, and reporting to the Board of Directors);
- The chair and staff liaison should have a complete understanding of the staff/volunteer roles as described in the CAAR Policy and Procedures Manual.

During the year, Staff Liaisons should:

- Communicate with their Group Chair and Vice-Chair on a regular basis;
- Apprise them of any new issues; provide them with updates;
- Solicit feedback.

Staff Liaison Group Meeting Preparation Responsibilities

The following activities should be completed in the order given to ensure Groups operate in an effective and efficient manner.

Thirty (30) Days Prior

Set the Group dates in advance for the year, when possible. Notify all Group members via email of the dates, times, and locations to allow for members to plan accordingly.

Prior to a meeting, send out a formal “meeting notification” to all Group members. The notification should include time, date, and location. (*See Sample, Attachment 2*)

Ensure that meeting space is reserved whether in house or off-site. This may include (but may not be limited to) room setup, food and beverage, audio-visual equipment and handouts.

Fifteen (15) Days Prior

Approximately fifteen (15) days before the meeting, work directly with the Group chair to develop the agenda and identify necessary supporting documents and speakers. The staff liaison is responsible for completing and sending out the final approved agenda (using the CAAR agenda template) and meeting materials. (*See Sample Meeting Agenda, Attachment 3*)

The staff liaison is responsible for maintaining file copies of all agendas and minutes per CAAR's document retention policy.

Seven (7) Days Prior

The final agenda and meeting materials should be sent at least seven (7) days in advance of the meeting. (*See Sample, Attachment 4*)

The following items should be included with all agendas:

- Mission, vision, strategy planning, and initiatives
- Minutes of previous meeting for Group approval
- Sign-in sheet

Meeting Day

Meetings should begin and end on time; the staff liaison should monitor the time and alert the Chairman. A gavel and clock are provided to the Chair to assist. All meetings are governed by Robert's Rules of Order.

Handouts for all Group members are to be prepared by the staff liaison.

At the beginning of each meeting the staff liaison should document attendance through an attendee sign-in sheet. Staff should notify the chair regarding quorum status. Group quorum is half (1/2) plus one (1). Board liaison and staff are non-voting members.

The staff liaison is responsible for taking minutes of the meeting. Minutes should include only motions and action items. Motions should be as clear and succinct as possible.

The order of the meeting follows the written agenda. (See *Sample Meeting Agenda, Attachment 3.*)

When the group is ready to act, i.e. vote on a recommendation, follow the procedures for conducting a vote.

1. Chairperson asks for a MOTION
2. Chair asks for a SECOND to the motion
3. Chair then OPENS DISCUSSION of the motion

Tips for Managing DISCUSSION of a MOTION

- Group members may speak in favor of or against the stated motion.
 - During DISCUSSION, a member may ask to make an AMMENDMENT to the current motion. If so, the Chair asks the individual who made the motion if they will ACCEPT the amendment.
 - If they agree, the Chair now must repeat the REVISED motion.
 - If they do not agree, the AMMENDMENT is declined.
 - The Chair may resume DISCUSSION after an AMMENDMENT is approved or declined.
 - In managing this portion of a meeting, it is important to keep comments in a respectful and orderly process.
 - It is advisable to ask individuals to state at the beginning of their comment if they are speaking in favor or against the motion.
 - Comments should pertain only to the MOTION on the floor. The Chair is responsible for keeping the order of the discussion on topic and to defer all other business until a vote is taken on the motion.
4. Conduct the VOTE on the motion. The Chair repeats the motion aloud before the vote is taken. If it is unclear, then it should be clarified **before** the voting. Only voting members of the Group are entitled to vote. The Group will primarily vote by voice. The chair will refrain from voting, to be

available to break any tie votes. The Chair will announce the outcome of the vote based on the Chair's determination of the voice vote.

5. If the chair is unsure, the chair may ask for a show of hands. The staff liaison shall count the votes and report the count to the chair confidentially. If there is a tie, the chair will advise the Staff Liaison of the chair's vote confidentially thereby casting the deciding vote. The Chair will announce the outcome of the vote including vote totals. *(Members may use the procedures from Robert's Rules of Order to further pursue clarification or a challenge of the chair's ruling regarding the outcome of the vote).*

All policy motions are presented to the Board of Directors for approval, amendment or referring to the Group. *(See Report to the Board of Directors Document, Attachment 5)*

Post Meeting

It is the Staff Liaison's responsibility to prepare draft minutes of the meeting for Chair and Group approval. Minutes should include only motions and action items, not conversations, reports, etc. Do not record the name of the maker and seconder of the motion. The outcome of every motion or parliamentary action—whether it was passed, amended, tabled, withdrawn, or failed by a vote or for lack of a second—should be recorded in the minutes.

If the date and location for the next meeting is set, it should be recorded in the minutes. The name of the staff liaison recording the minutes should be identified at the bottom of the page.

The meeting minutes and agenda are companion documents. Together they allow someone not present at a meeting to see what actions were taken.

Minutes should be distributed to all Group members within seven (7) days of the next meeting. The Staff Liaison is responsible for maintaining electronic copies of all the Group minutes on the CAAR server. (*See Sample Minutes, Attachment 6*)

Attachment Content

1. Parliamentary Procedures
2. Sample 30 Day Meeting Notification
3. Sample Meeting Agenda Layout
4. Sample 7 Day Meeting Notification
5. Report to the Board of Directors
6. Sample Minutes Layout

Parliamentary Procedures: The motions below are listed in order of how CAAR conducts our Group-level meetings. The Chair must have recognized the member for the member to offer a motion. Motion's shouted out are "out of order" and do not have to be considered.

MEMBER WANTS TO:	THE MOTION IS:	CAN IT BE TRUMPED	IS A SECOND REQUIRED	DEBATE	VOTE REQUIRED FOR PASSAGE OF THE MOTION
Put a matter before the Group for a decision/Motion	I move that [or to] ...	No	Yes	Yes	Majority
Change the wording of a motion	I move to amend the motion	No	Yes	Yes	Majority
Move the matter to a different or sub-Group	I move to refer the motion/matter to...	No	Yes	Yes	Majority
Kill a motion	I move that the motion be postponed indefinitely	No	Yes	Yes	Majority
Cut off additional debate	I move to call the question or call the previous question	No	Yes	No	2/3
Pause the meeting	I move to recess for...	No	Yes	No	Majority
Make Chair enforce the rules	I rise to a point of order, I call the member to order...	Yes	No, Chair must hear the point and address the issue	No	None Example: debate is occurring when no debate is allowed
End the meeting, force the meeting to end	I move to adjourn	No	Yes	No	Majority

Group Operation - The formality of the Group operation is designed to maintain the Chair's position of impartiality and to help preserve an objective and impersonal approach, especially when serious division of opinion arises. Group members should direct their comment to the Chair, not to other Group members. The Chair sets the tone of the meeting and determines how formal it should be, however, any Group member can further formalize the meeting through a "point of order" on a specific matter of procedure. If the Chair refuses to acknowledge the rules of order, the member can challenge the Chair by putting the question directly to the members, stating: "Shall the Chair's ruling be sustained"?

The Chair will call the meeting to order. The Chair will recognize a member; the member will state their purpose for seeking the Chair's attention and upon Chair's approval will then take the floor (proceed to speak).

Attachment 1

Groups operate by motion. If there is no motion, there is no action. The Group does not have to act.

Voting Procedures – Voting will usually occur in one of three forms – by voice vote (Chair rules on outcome), show of hands (division), or by recorded vote. The Chair can always ask for a recorded/ roll call or division vote even for a vote that is procedurally allowed to be voice. The Group can call for recorded or division vote by a majority request. Staff should either count the hands, or if recorded, call the roll, and provide the results to the Chair. Chairs withhold their vote unless to break a tie.

A Non-Recorded Vote may be taken on the following motions:

- Adjourn
- Recess
- Refer to Group
- Adoption of amendments or substitutes
- Strike from the Docket
- Regular Business

Quorum – In all meetings, unless otherwise provided in the CAAR Bylaws, Policies and Procedures, or RPAC Bylaws, a quorum shall be a majority of those entitled to vote, voting must be in person and each person shall be entitled to only one vote, a majority of votes of those present and voting shall govern, and in the event of a tie vote, the presiding officer or chair shall cast a vote to break the tie. Participation by conference call or similar communications equipment by means of which all persons participating in the meeting can hear each other, shall constitute presence in person at a meeting.

SOURCE: Henry M. Robert III, D. H. (2011). *Robert's Rules of Order - Newly Revised (11th Edition)*. Philadelphia: Da Capo Press.

Sample 30 Day Meeting Notification

Subject: MEETING NOTIFICATION: [Insert Group Title] Meeting, [Insert Day, Month, Date, and Year of Meeting – Example: Thursday, March 1, 2018]

To: All Members of the [Insert Group Title]

Cc: CAAR Staff

To All Members of the [Insert Group Title],

See details below for the next [Insert Group Title] Meeting. Please mark your calendars and hold the date. This is a thirty (30) day notification letter. A meeting agenda and supporting documents will be sent out in advance of the meeting. If you are not able to attend, let me know prior to the meeting. Please contact me if you have any questions or concerns.

When

Thursday, March 1, 2018 [Change time and date]
12:30 p.m. – 3:00 p.m.

Where

Charlottesville Area Association of REALTORS®
550 Hillsdale Drive, Charlottesville, VA 22903
[Insert Meeting Room Name]

Respectfully,

[Signature Line]

Attachment 2

Sample Meeting Agenda Layout

**Charlottesville Area Association of REALTORS®
“XX” Group
Day, Month Day, Year
Start time – End Time
Agenda**

CAAR Mission Statement: To support our REALTOR® members to be professional, ethical and successful.

CAAR Vision Statement: The REALTOR® is indispensable to every real estate decision.

CAAR’s Primary Customer: CAAR’s primary customers are members, the media, the public, and the consumers we serve.

“XX” Group

The “XX” Group is the main administrative arm of the association.

Areas of responsibility include:

- Define Group roles here, #1
- Define Group roles here, #2

1. Call to Order Chair
2. Approval of the minutes from previous meeting date Chair
3. Old Business Group Member
 - A. Supporting Document(s)
4. New Business Group Member
 - A. Supporting Document(s)
5. Updates
 - A. Board Liaison Updates
 - B. Staff Liaison Updates
6. Important Dates:
 - List relevant dates for Group members, i.e. General Membership Meetings, upcoming educational opportunities, etc.

Next meeting is Day, Month Day, Year at Time

Attachment 3

Sample 7 Day Meeting Notification

Subject: MEETING AGENDA: [Insert Group Title] Meeting, [Insert Day, Month, Date, and Year of Meeting – Example: Thursday, March 1, 2018]

ATTACHMENT: [Attach Meeting Full Meeting Agenda] [Group Roster]

To: All Members of the [Insert Group Title]

Cc: CAAR Staff

To All Members of the [Insert Group Title],

See attached agenda and details below for the [Insert Group Title] Meeting. Please mark your calendars and hold the date. If you are not able to attend, let me know prior to the meeting so I may ensure a quorum. Please contact me if you have any questions or concerns.

When

Thursday, March 1, 2018 [Change time and date]
12:30 p.m. – 3:30 p.m.

Where

Charlottesville Area Association of REALTORS®
550 Hillsdale Drive, Charlottesville, VA 22901
[Insert Meeting Room]

Respectfully,

[Signature Line]

Attachment 4

Report to the Board of Directors

"XX" Master Group Report to the Board of Directors

Date:

Name of Group:

Motion being brought to the Board:

How does this action relate to the CAAR Mission Statement? How does it benefit our primary customer?

How does this action relate to the CAAR Strategic Plan?

What, if any, is the cost of implementing this motion?

Would you be willing to stand up at the General Membership meeting and explain/justify this expense to the members? ___Yes ___ No

Will this action require significant staff time to be utilized? ___Yes ___ No

Have any other Groups or members outside the Group been consulted? ___Yes ___ No

Has legal counsel been consulted? ___Yes ___ No

(Note: Staff Liaison or BOD Liaison report back to Group at next Meeting)

Attachment 5

Sample Minutes Layout

Charlottesville Area Association of REALTORS®
“XX” Group
Day, Date
Minutes

Members in Attendance:

Board Liaisons:

Staff Present:

Absent:

Absent (Excused):

Call to Order

Chair (last name) called the meeting to order at (time). The minutes from the (previous) meeting were presented and approved.

Old Business Agenda Item #1

Group Member presented the “X” information. A **MOTION** was **MADE** and **SECONDED** to accept the “X” information.

Agenda Item #2 – Describe discussion.

Agenda Item #3 – Describe discussion.

New Business Agenda Item #1 – Describe discussion.

Agenda Item #2

Action Item: List specific item to be completed, by whom, and by what date.

Updates

Important Dates List important dates or announcements.

Adjourn

Chair (last name) adjourned the meeting at (time).

Respectfully submitted,
(name), Staff Liaison

CAAR POLICY MANUAL - APPENDIX G

Charlottesville Area Association of REALTORS®



Accounting and Financial Policies and Procedures

Revised 10-31-18

PURPOSE OF THIS MANUAL

The policies and procedures discussed herein address the various accounting and financial policies, internal control policies, risk reduction policies and office administration policies relevant to the operations of CAAR and its subsidiaries. These written policies are designed to ensure financial accountability and transparency, eliminate misunderstandings and protect the assets and viability of CAAR. It is the responsibility of the Senior Financial staff member, as designated by the CEO, to ensure sound accounting practices and internal controls.

While every effort is made to keep this manual up-to-date, all items referenced herein are subject to modification, amendment, or deletion. All recommended amendments to policy will be brought before the Board of Directors for approval.

All Manuals are the property of CAAR. The Senior Financial staff member, as designated by the CEO, is responsible for the distribution of this manual to said employees who, in turn, are responsible for safeguarding the materials and inserting approved changes. The Manual must be returned to the Senior Financial staff member, as designated by the CEO, upon termination of employment.

SEGREGATION OF DUTIES

Effective internal controls mandate, when possible, an adequate segregation of duties to reduce the probability of dishonesty and loss. CAAR follows GAAP principles of cash controls as delivered annually by our auditors to the Board of Directors.

It is the policy of CAAR to ensure an adequate segregation of responsibilities regarding all aspects of the financial operations of CAAR to include but not limited to cash receipts, bank deposits, bank statement reconciliations, invoice approval, check preparation, check signing, and expense reimbursement approvals. Additionally, CAAR will consult with its independent CPA firm annually to study internal controls and recommend improvements in segregation of duties.

COMPREHENSIVE POLICY

All accounting and financial policies contained within this manual are inclusive and supersede any and previously adopted accounting and financial policies. Furthermore, any exception to a policy must be clearly documented and will not in any way make the exception a policy.

The Operations Group may refer a policy to another committee for review if deemed appropriate; however, the Operations Group will have final approval before the policy is submitted to the Board of Directors. Once a policy has been approved by the Board of Directors, it will be understood to constitute an effective policy. Thereafter, any additions or changes will be submitted to Operations Group for consideration and submitted to the Board for consideration.

SECTION 1 - GENERAL LEDGER ACTIVITY AND FINANCIAL STATEMENT PRESENTATION

I. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

It is the policy of CAAR to use the accrual basis of accounting that recognizes revenues when they are earned (and expected to be realized) and recognizes expenses when the related goods or services are used. The financial statements will be prepared following Generally Accepted Accounting Principles (GAAP).

II. CHART OF ACCOUNTS

It is the policy of CAAR to maintain a chart of accounts, therefore, the chart of accounts is constructed to allow a trained accountant an immediate understanding of the accounting numbering system. The chart of accounts is divided into five major account groupings and then subdivided by Functions, Programs or Departments. This subdivision allows the Association to prepare departmental and program financial statements:

<u>Account Classification</u>	<u>Financial Statement</u>
1. Cash	Balance Sheet
2. Liabilities	Balance Sheet
3. Revenue	Statement of Activities
4. Expenses	Statement of Activities
5. Functions & Programs	Statement of Activities

A current chart of accounts is necessary to ensure proper account coding and all employees involved with account coding responsibilities or budgetary responsibilities will be issued a chart of accounts. The Senior Financial staff member, as designated by the CEO, is the only employee with authority to add or delete accounts.

III. JOURNAL TRANSACTIONS/ENTRY

It is the policy of CAAR to record and post monthly general journal ledger. Entries originating from journals will be supported by adequate documentation. Nonrecurring adjusting journal entries are prepared to reflect account balances. Nonrecurring adjusting journal entries include, but are not limited to, the following:

- Recording of non-cash transactions
- Correction of posting errors
- Accrual of income and expense items

IV. LEASES

It is the policy of CAAR to record leases as either capital leases or operating leases in the financial records, based on appropriate qualification criteria.

A cost-benefit analysis will be prepared to assist in determining whether to lease or purchase a piece of equipment. All capital purchases are to be included in the Capital Budget and are approved by the Budget and Finance Committee.

When an equipment lease is capitalized, the equipment will be included among the fixed assets of CAAR and depreciated accordingly. Payments for operating leases are considered expenses in the period the lease payment is made.

V. AMORTIZATION

Amortization is a method of recognizing expenditures over a period rather than in one accounting period.

It is the policy of CAAR to amortize all maintenance and support agreements over the length of the contract. Miscellaneous community contributions and other entertainment expenses, which have no real future value or term, will be treated as a period expense and expensed in the month paid.

VI. PREPAID EXPENSES

It is the policy of CAAR to treat payments of expenses which have a time-sensitive future benefit as prepaid expenses on the financial records and to expense them in the proper period.

Examples of prepaid expense include, but are not limited to, insurance premiums, travel expenses for future events, room and catering deposits for future events, and payment of any expense that has a definite time-sensitive future benefit.

Payment of any expense of \$500 or less will not qualify as a prepaid expense.

VII. ACCRUED EXPENSES

At the end of the fiscal year, incurred expenses not yet paid will be recognized on the financial statements. It is the policy of CAAR to accrue unpaid expenses on its financial records.

VIII. ANNUAL LEAVE ACCRUAL

At the end of each calendar year, the Senior Financial staff member will compute the liability of annual leave due employees as of the last day of the business year and disclose this liability in the financial statements. This accrual will be based on the individual leave records of the employees and will follow the leave policies established in the Association Policies and Procedures Manual.

In the last month of the year, it is the policy of CAAR to accrue the value of the annual vacation leave due employees. This value is based on staff salaries effective at the end of the current fiscal year.

IX. LONG-TERM DEBT

All long-term commitments will be included in the annual budget and approved by the Board of Directors. It is the policy of CAAR to include the current portion of long-term debt (the amount due to be paid within current twelve (12) months budget cycle) with accounts payable on the year-end financial statements. Only the non-current portion of long-term debts will be included in the long-term debt section of the year-end financial records.

X. DEPRECIATION/CAPITALIZATION

It is the policy of CAAR to depreciate fixed assets over their estimated useful lives. It is the policy of CAAR to capitalize assets in the period purchased if these assets cost in excess of \$1,000.

Capitalization is the accounting method used to account for items with useful lives greater than one year. The cost of the item is recognized as an asset and subsequently expensed on a periodic basis over its estimated useful life.

Acquisitions made by the organization should be capitalized if the individual or aggregated expenditure is over \$1,000 and any one of the following criteria is present:

1. Additions that materially improve quantity and life of fixed asset (additional memory is added to computer, etc.);
2. Improvements that materially improve quality or efficiency of the fixed asset (enhancement of software, etc.); and
3. Extraordinary repairs (if fixed asset life is extended). Routine repairs and maintenance are expensed in the year of service.

The cost of a fixed asset will include all costs necessary to put a fixed asset in place and in working order. This includes:

1. Invoice price, less discounts
2. Sales tax
3. Freight-in
4. Consulting services
5. Installation charges (including testing and preparation for use)

Capitalized repairs and improvements will be depreciated using the straight-line method based on the time the repair or improvement is expected to improve the property. The Senior Financial staff member will refer to the IRS guidelines for basis of that determination.

Fully depreciated fixed assets will remain on CAAR Balance Sheet and will be included on the tangible property tax return until disposed of or otherwise deemed worthless.

XI. FINANCIAL STATEMENT PRESENTATION AND DISTRIBUTION

It is the policy of CAAR to prepare and distribute monthly financial statements that will include the Statement of Financial Position and the Statement of Activities, including departmentalized or functional statement of activity reports, and other financial reports relevant to CAAR operations.

These statements should be prepared and published, on a monthly basis, by the twentieth (20th) day following the close of the month.

The statements will be distributed monthly as determined by the CEO. In addition, the statements will appear on all agendas of the Board of Directors.

XII. UNRESTRICTED NET ASSETS/BOARD-DESIGNATED FUNDS

Unrestricted net assets represent the cumulative results of operations of CAAR. Board-designated funds are funds designated by the Board of Directors for a specific purpose. It is the policy of CAAR to include board-designated funds with unrestricted net assets on the Statement of Financial Position. A statement of activity for board-designated funds may be included with footnotes to the financial statements as supplemental information.

SECTION 2 - CASH AND INVESTMENT MANAGEMENT

I. CHECK SIGNING AUTHORITY

Proper segregation of duties is a must to ensure adequate internal controls for check preparation. As such, the following rules govern the selection of individuals to sign checks:

1. Individuals who prepare checks will not be check signers.
2. Individuals who reconcile bank statements will not be check signers.

It is the policy of CAAR to give check-signing authority to the following positions (limit 4):

- CEO
- Treasurer of CAAR
- President-Elect of CAAR
- President of CAAR

Checks issued for payment in excess of \$10,000 will require the Treasurer's authorization.

All banking resolutions require approval of the Board of Directors. All officers are signers to safe deposit box.

II. BANK RECONCILIATIONS

In the interest of proper internal controls:

1. The bank statement will be addressed to, opened by, and reviewed by the CEO, who is not involved in the accounting or bank reconciliation process.
2. Bank reconciliations will be conducted in a timely manner by someone who is not an authorized check signer, currently CAAR bookkeeping staff.
3. Voided checks will be documented and accounted for properly by bookkeeping staff.

It is the policy of CAAR to address bank statements to the CEO for initial review of all clearings during the month. Within twenty-four (24) hours, the CEO or a designated representative in the CEO's absence, will

forward the bank statement to CAAR bookkeeper.

The Senior Financial staff member is responsible for review and approval of the bank reconciliation.

III. WIRE TRANSFERS/ELECTRONIC TRANSACTIONS

CAAR may use wire transfers/ACH for routine payments where repetitive wire transfer instructions have already been established.

The CEO and the Senior Financial staff member have security access to approve wire transfers/ACH. Two parties, staff or Board of Directors members with check signing authority, are required to initiate and approve an outgoing wire transfer/ACH.

It is the policy of CAAR to allow the Senior Financial staff member to make wire transfers/ACH established with the banking institutions. Wire transfers initiated by the Senior Financial staff member are verified and approved by the CEO.

IV. INVESTMENT POLICY STATEMENT

CAAR has an Operations Group charged with oversight, review and management of the investment reserves.

It is the policy of CAAR to maintain Investment Management oversight of the Association's investment reserves in accordance with the investment policy approved by the Board of Directors. The Operations Group will meet at least quarterly and is responsible for recommending all changes to the investment policy statement to the Board of Directors.

CAAR investment policy statement can be found in CAAR Policies and Procedures Manual – Appendix D.

SECTION 3 - ACCOUNTS PAYABLE

I. ACCOUNTS PAYABLE

Accounts payable checks shall be released prior to the due date, without affecting relationships with vendors. Early payment discounts should be taken if they result in benefit and recorded as a net expense.

It is the policy of CAAR to process and send checks disbursements within the following timeframe:

1. Vendors: within terms as stated on the vendor invoice (10-days, 15-days, 30-days, etc.) The term "upon receipt" shall mean within ten (10) working days of receipt of the invoice by accounting.
2. Member and staff reimbursement requests: within ten (10) working days of receipt of the invoice by accounting.

To enhance internal controls and ensure a clear segregation of duties the following policies will be followed:

1. Accounting will process vouchers and print checks at least weekly.
2. Checks will be assembled and delivered to the appropriate check signer.
3. Supporting paperwork shall be returned to accounting for filing.
4. All returned mail will be received and opened by an individual not in the accounting department.

II. CHECK DISBURSEMENTS

Because of the need for strong internal control and segregation of duties, these rules concerning check disbursements will always be followed:

1. Unused checks are pre-numbered, stored under lock and key, as directed by CEO.
2. Persons initially approving invoices and other expense vouchers should never sign the resulting check even if they are the check signer.
3. All checks will bear original signature, except for electronic STET payment. The use of facsimile signatures is prohibited on CAAR check stock.
4. The signing of blank checks is prohibited.

All check disbursements will require approved invoices, expense vouchers, and a have completed Check Request Form attached signed by the CEO.

Signed checks that have not been mailed or distributed will be locked at the end of each day.

III. VOIDED CHECKS

Checks are voided for many reasons, such as errors made in the course of preparing a check, duplicate payments made to vendors, stop payments issued on lost checks, etc. Regardless of the situation, every voided check will be accounted for on a Voided Checks Log. The log will be available for the annual audit.

It is the policy of CAAR to maintain a Voided Checks Log and document every check that has been voided, regardless of reason. If voided checks are physically available, they will be stamped VOID and filed in the voided checks file, and the signature line will be torn off. Following the annual audit, all voided checks will be shredded.

IV. WRITE-OFF OF OLD OR STALE-DATED CHECKS

It is the policy of CAAR to make every attempt possible to contact the payees of outstanding checks that have failed to clear the bank. Checks outstanding in excess of ninety (90) days will be voided and payment reissued.

SECTION 4 - ACCOUNTS RECEIVABLE

I. CONTROL OVER CHECKS AND CASH

All mail, except for confidential mail, will be opened by the Office Manager or CEO who has no accounts receivable or income-producing responsibilities.

After the mail has been opened, checks will be batched, and a log of checks received that day will be completed by the individuals who have opened the mail.

It is the policy of CAAR that all incoming checks be imprinted with a "For Deposit Only" stamp and be noted on the Daily Checks Received Register.

Once the checks have been recorded, the checks will be personally delivered to the Office Manager. The Office Manager will be responsible for comparing the Daily Checks Received Register to the deposit ticket. All checks are to be deposited by the next banking day.

II. COLLECTIONS

It is the policy of the organization to forward an invoice no later than the date the service is performed.

Thirty (30) days after the date of the original invoice, a "past due" invoice will be transmitted to customers accompanied by copies of outstanding invoices.

Sixty (60) days after the date of the original invoice, an employee will contact the customer via telephone and attempt to collect the amount due. A record will be kept of telephone contacts.

If ninety (90) days have elapsed without payment, a letter of intent may be mailed, informing the customer that the account will be submitted to a collection agency. Two weeks after the letter of collections intent is sent, the account may be turned over to the organization's collection agency.

A Bad Debt Collection Activity Record will be maintained to track telephone calls, letters, and collection agency action concerning the customer.

III. ACCOUNTS RECEIVABLE WRITE-OFF PROCEDURES AND AUTHORITY

It is the policy of CAAR to ensure that all available means of collecting accounts receivable (see Collection Procedures Policy) have been exhausted before write-off procedures are initiated. Write-offs are initiated by the bookkeeper with the approval of the CEO. Notations to the customer account will document approval of write-off.

If a receivable is deemed uncollectible, the CEO and the Treasurer must approve the write-off of the debt.

approval.

If write-off procedures have been initiated, the following accounting treatment applies:

1. Invoices written off that are dated during the current year will be treated as a reduction of the appropriate revenue accounts.
2. Invoices written off that are dated prior to the current year will be treated as a bad debt.

SECTION 5 - TAXES

CAAR's independent auditor prepares all applicable tax returns, which are reviewed by the Senior Financial staff member and signed by the CEO.

I. SALES TAX COLLECTION

It is the policy of CAAR to collect sales tax, or accrue use tax as applicable, and pay the retailing business and occupation tax and related county tax on all sales of personal property.

SECTION 6 - BUDGETING AND YEAR-END PROJECTIONS

I. BUDGET

(a) It is the policy of CAAR to have an operating budget and a capital budget approved prior to the start of the fiscal year.

II. CALENDAR

June-

- Treasurer selects five to seven (5-7) members of the association to comprise the Budget & Finance Committee. The Treasurer is the Chair of the committee and the CEO is the Staff Liaison.
- Staff will prepare and present a current year-end projection for the purpose of setting dues and fee amounts to the Budget & Finance Committee. Staff will seek input and guidance for the upcoming budget year and the committee will discuss assumptions, allocations, etc.
- Once established, the committee will recommend the dues and fees for the coming year to the Operations Group followed by the Board of Directors.

October-

- Staff will prepare the operational program budgets, including course pricing, schedules and related policies and a current year-end projection for the purpose of reviewing, monitoring and contrasting budget to actual variances.
- Staff and the Treasurer present the annual budget, including capital outlay requests and budget assumptions to the Budget & Finance Committee. The committee is responsible for conducting a line-by-line review of the annual budget. Once approved, the committee will recommend the annual budget to the Operations Group then to Board of Directors for final approval.

SECTION 7 - OTHER POLICIES

I. CONTRACT SIGNING AUTHORITY

It is the policy of CAAR to grant authority to sign contracts to the CEO, if the financial implications of the contract are provided for in the annual budget and approved by the Board of Directors. If the financial implication of signing a contract is not included in CAAR budget, Board of Directors approval is required before authority to sign the contract is granted.

II. BID REQUIREMENT

Bids should be required for major purchases to ensure that CAAR is receiving the best value for goods and services. This policy applies to all material purchases when CAAR has discretion over the vendor chosen.

It is the policy of CAAR to require bids for the following expenditures:

- Printing Discretion of each department director required on all jobs in excess of \$1,000
- Capital purchases Three bids are required for all capital purchases exceeding \$5,000
- Professional services Professional services, including CPA firms and law firms, will be evaluated every five years or from time to time as requested by the Leadership Team and the Board of Directors; requests for proposals will be prepared and sent to qualified firms in the same field
- Other As directed by the CEO

III. BONDING OF EMPLOYEES

It is the policy of CAAR to bond all employees involved in the financial functions of the CAAR.

IV. CORPORATE CREDIT CARD

It is the policy of CAAR to issue a physical corporate credit card to the following positions:

- CEO
- Designated staff at the discretion of the CEO

All expenses incurred via the corporate credit card must follow the approved reimbursement policy guidelines and substantiated as to:

- Amount
- Time and place
- Business purpose/relationship
- Attendees and affiliation

Expense receipts must be attached to expense reports and submitted for approval in accordance with the Business Travel and Expense Reimbursement policy.

V. INSURANCE

It is the policy of CAAR to annually review insurance policies with approval by the Board of Directors to ensure that insurance coverage is complete and adequate, and that coverage limits adequately meet the needs of CAAR, members, and employees. Insurance policies to be reviewed include, but are not limited to, the following:

- All liability policies (D&O)
- Office contents policy
- Fidelity bond policy

VI. LOBBYING EXPENDITURES

It is the policy of CAAR to advise members of the nondeductible portion of their dues payments by annually indicating the nondeductible percentage on the membership renewal statements. The Senior Financial staff

member, as designated by the CEO, is responsible for calculating the percentage.

VII. LOGO

It is the policy of CAAR to include the CAAR logo on all external communications as appropriate.

VIII. MEMBER ACCESS TO RECORDS

It is CAAR's policy to adhere to the requirements of the Virginia Non-Stock Act.

IX. PAYROLL PROCESSING

Two (2) people will be involved in the payroll process, even though CAAR uses a third-party payroll service. Staff has limited access to Moneywise Payroll, CAAR's third-party payroll provider. Payroll software is limited to the individual computers of the CEO and the Senior Financial staff member, as designated by the CEO.

The Office Manager will collect timesheets and the CEO will approve the hours and time off for the pay period. The Office Manager will forward the approved timesheets to the payroll coordinator for processing. Reports are delivered to the CEO via secure transmission for verification. All payroll is processed via EFT/direct deposit.

SECTION 8 – RESPONSIBILITIES AND PRACTICES

I. ACCOUNTS RECEIVABLE

Responsibilities -

Membership: Membership Department must identify and bill member services to member portal accounts. Store purchases and education registration payments may be accepted and processed by Membership and office staff as needed to expedite member service.

Membership Department is also responsible for billing setup in accounting software (creating, modifying charge codes, creating billing groups, creating invoices types, etc.).

Practices -

Office Manager-

Prepare cash & check deposits

Create receipts daily for cash & check payments on account

Process credit card transactions in database

Create receipts daily for credit card payments on account

Balance credit card deposits to ecommerce reports daily

Process credit card and pre-payment transactions that are kept on file

Run credit cards that are kept on file for members MLS and key fees as posted to portal accounts.

Apply credit to members that have prepaid for MLS and Key fees.

**Receivables are due thirty (30) days after posted billing, unless it falls on a weekend or holiday, then the due date moves to the next business day.*

Membership Staff-

Create quarterly billing in database

MLS fees are billed quarterly to individual subscribers

Create Quarterly key billing in database

Key fees are billed quarterly to individual subscribers

Bill MLS fines to members

Email is generated from MLS department dictating the reason and amount of the fine.

Late fees are assessed at 10% of the unpaid balance or amount outstanding before the due date.

Returned checks are assessed a \$30 service fee.
Follow up on past-due members invoices

Bookkeeping Staff

Run month-end closing reports in database

These reports are generated on the first business day following the month that is being closed.

Balance A/R to QuickBooks GL

Balance Supra Key report to QuickBooks GL

Credit Memos

As a rule, CAAR does not issue refunds.

In special circumstances, the CEO may authorize a refund.

Create annual dues billing

Annual dues are posted on September 1st of the previous calendar year.

Dues are to be paid in full-no partial payments are accepted.

Dues for all members of the Association are payable annually in advance on the 31st of October of the previous calendar year.

Annual dues are not refundable or prorated if the member elects to discontinue membership during the year that was paid.

Late fees of \$50 per month will apply on November 1st and December 1st.

Monthly reminders are posted to overdue accounts until dues are paid or member is terminated.

Phone calls to Brokers are made prior to end of year to remind them of unpaid REALTORS® in their offices.

Failure to pay the full amount of dues and any late fees by December 31st will result in termination without further notice.

\$50 reinstatement fee is applied to the member who renews after termination.

Emeriti Memberships

Emeriti REALTOR® member's association dues are waived.

Members who are eligible for this status must have verification from NAR prior to waiving dues in accounting software. Dues are waived only AFTER receipt of the approved status from NAR.

II. ACCOUNTS PAYABLE

Responsibility Executive Branch-Board of Directors approves annual Budget. CEO, President, President-Elect, and Treasurer can sign checks.

Types of Expenses -

- **Contracts:** Contracts may only be signed by the CEO or the President of the Board
- **Utilities:** Office Manager is responsible for reviewing for accuracy
- **Program/Office:** Purchases must be approved by CEO for payables. Capital expenditures not previously budgeted for must be brought to the Board of Directors for approval.

Practices -

Post payable bills as received

Office Manager is responsible for collecting all invoices, receipts, packing slips and any other documents which record a purchase.

All expenses not relating to operations must be authorized by department that requested the supply or service. CEO signs on all payables prior to entry.

Utility bills are reviewed for accuracy.

Advertising bills are to be authorized by Communications Director prior to payment.

*Packing slips are to accompany invoices.
Invoices are to accompany statements.*

Write checks weekly – Bookkeeping Service

*All blank checks are to be kept locked under control of Office Manager and CEO.
Checks and backup are given to the CEO for signature by the Bookkeeper.
Any check over \$10,000 must have secondary approval by an officer of the Board via the electronic approval in CAAR's bill payment software, or by initialing a hand-cut check.
Bank Reconciliations are reviewed and approved by bookkeeping supervisor monthly.*

NAR/VR Dues – Membership Director

*New membership dues collected are payable to NAR and VR monthly for the previous month's business.
Annual dues collected are payable to NAR and VR according to their yearly guidelines noted in the VR Annual Dues Billing Instruction Booklet.
Payments made to VR are made by ecommerce on NAR website.
Payments made to NAR are paid thru ecommerce on NAR website.
CEO signs off on backup paperwork for both NAR and VR payments.*

RPAC contributions – Membership Director

*New membership contributions collected are payable to VR monthly for the previous month's business.
Annual contribution collected are payable to VR according to their guidelines.
RPAC spreadsheet is maintained and tied-out to GL and VR's count.*

Maintain petty cash box – Office Manager

*Petty cash box is kept locked under the supervision of the Office Manager.
Company office supply credit cards are kept in petty cash box.
A \$200 balance is maintained in the cash box.*

Sales Tax – Bookkeeping Service

*Prepare and pay quarterly sales tax via payroll service
CEO maintains copies of filing paperwork.
Sales tax is paid quarterly electronically with State of Virginia.*

III. Bank Authorizations - The following people have the authority to sign checks and authorize ecommerce:

CAAR -	CEO President of the Board President-Elect Treasurer	REW -	CEO/President Chairman of the Board Chair-elect Treasurer
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CAAR staff CEO is authorized to move money between accounts of the same company-i.e., from checking to our investment accounts. The only electronic transfers authorized are for payment of payroll through QuickBooks (amounts signed off by CEO), to pay taxes directly to the IRS and VA Tax, and NAR dues through the NAR system.

III. PAYROLL RESPONSIBILITIES

- **Employee:** Prepare a time sheet in compliance with the policies in the company's Employee Handbook.
- **Department Manager:** Collect, review and approve all departmental or program employee time sheets & forward approved time sheets to Office Manager for processing.
- **Chief Executive Officer:** Approves all time off and payroll changes and is the designated contact for the payroll firm. Bi-weekly Health Savings Account deposits are processed by the CEO the day prior to payday

- **Payroll Firm (Outsourced):** Process payroll and distribute electronic deposits to employees. Control and maintain employee files, file and pay payroll withholdings to the IRS and State and Local Governments and any other institutions which have rights to collect funds from employees.

Federal Withholding taxes are paid by the Wednesday after the payday.

State Withholding is paid electronically on the payday.

401K payments are paid electronically on the payday.

Wage attachments are paid on the payday.

Vacation/personal time off

Vacation and sick time are displayed on pay stubs.

Vacation sheets are reviewed by CEO prior to distribution.

Prepare and pay quarterly payroll taxes

Payroll taxes are verified against payroll summary from Moneywise Payroll reports.

Federal Tax returns are signed by CEO.

FUTA, SUTA and VA Withholding are filed electronically.

All returns are reviewed by CEO for accuracy.

Payday is on Friday and paid bi-weekly for the previous two (2) weeks. Employees are paid by direct deposit. Timesheets for salaried employees indicate days worked and timesheets for hourly employees indicate hours worked.

Practices – Office Manager

All employees must have the following forms completed in their employee file:

W-4

Virginia Withholding

Virginia New Hire Reporting Form

I-9 with 2 copies of identification

401K election forms (Eligible after 6 months of full-time employment)

Authorization for Direct Deposit

Emergency Contact Form

Medical & Dental applications

Copy of last page of employee handbook signed by employee

CAAR POLICY MANUAL – APPENDIX H

Charlottesville Area Association of REALTORS®



Disaster and Security Policy

Revised 10-31-18

Defining an Emergency

- That which intrinsically affects the provision of community services such as water, electric, and basic emergency services.
- An event which threatens the physical, electronic information structure in a way as to impede the long-term livelihood of the Association and its members.

Authorized Response

- The CEO will be the assumed responsible party unless otherwise noted.
- The President, Executive Committee, and the CEO shall be authorized to spend/obligate the Association up to \$50,000 in immediate repairs and relief to be approved by the Board of Directors as soon as is reasonably possible in order to re-establish organizational operations.

How to Prepare

1. Ensure total mobility of information - to the extent possible, digitize all business information.
2. Back-up and safely store all data, ideally through an off-site independent data storage company not located in CAAR's immediate area. Consider using an Internet storage backup facility
3. Make a Master List of Critical information including bank accounts, accounting firm, attorney, alarm company, third party vendors, insurance agent and all insurance policy numbers with the carriers contact information, phone numbers of staff and Board members
4. CAAR Executive Committee should have a copy of the Master List, a key to the building and an alarm code
5. Establish a media relations plan. Components of this plan include:
 - a. President, President-Elect, or Treasurer to speak for the organization.
 - b. Identify media to be contacted as necessary
 - c. An information record should be created and maintained.
 - i. The record should include answers to the questions of who, what, when, where and why, and answers to potential questions.
 - ii. Examples of messages the organization would want to convey could include "Our office is/is not open for business", "Real estate industry in region is/is not impacted, and how and why", or "We have established a food/water distribution center in our parking lot." etc.
6. Consider a back up power source/generator to power essential building equipment.
7. An Emergency Supply Kit will be maintained and checked appropriate intervals. See Emergency Supply Kit Checklist.
8. The CEO shall be responsible to annually:
 - a. Update the insurance agent on recent equipment purchases or modifications to the building.
 - b. Review all appropriate insurance policies, including property, wind, flood, policy exclusions, replacement coverage, law and ordinance coverage
 - c. Take Before Pictures of property
9. Discuss staff/management responsibility (who will coordinate preparations/recovery efforts?).
10. Develop a disaster plan for the office. General elements of this plan include:
 - a. Emergency evacuation procedures and assignments
 - b. Essential facility operations (or shut down) procedures
 - c. Discuss the emergency plan w/employees.
 - d. Train staff and test the plan; make changes where necessary
 - e. A current copy of the plan should be kept where employees and CAAR leadership can refer to it easily.
11. Prepare a telephone and address list of local emergency organizations, such as the Red Cross, and city, county, state and federal disaster offices.
12. A work-in-place plan will be communicated to Staff on an as-needed basis.

Response Protocol

1. Survey and assess the impact to your employees.
 - a. Is anyone on staff injured?
 - b. Does anyone require any kind of help/assistance?
 - c. If their housing is unlivable, work with them to find a place to stay.
 - d. Give clear direction on office operations. Be flexible with work schedules.
2. Survey and assess the impact to CAAR operations, the building, and businesses.
3. If office building is damaged, arrange with staff to work from home, if possible.
4. Contact FEMA to obtain information on federal, state and local response and recovery activities and to register for disaster assistance, if necessary.
5. Follow additional steps described below.
 - a. Survey and assess the impact to the local real estate industry.
 - b. Is the industry capable of functioning?
 - c. Carefully estimate how much property was damaged/destroyed
6. Contact insurance agent to address:
 - a. Report how, when and where any damages or losses occurred.
 - b. If damage is covered under the terms of CAAR's policy.
 - c. How long CAAR has to file a claim.
 - d. Whether CAAR's claim exceeds our deductible.
 - e. How long it will take to process the claim.
 - f. Whether we will need estimates for repairs.
 - g. Include CAAR's policy number and a general description of damages in the report.
 - h. Make temporary repairs to protect your property, but not extensive, permanent repairs until the claim adjustor has assessed the damage.
 - i. Save all repair receipts.
 - j. If relocation is necessary, save all relocation receipts.
 - k. To substantiate all property losses, prepare an inventory (including photos and videos) of damaged or destroyed items.
 - l. Obtain written bids from licensed contractors.
7. Restore utilities, phone service, gas lines and other important links as soon as possible. Contact CAAR's utility provider if anyone discovers gas or water leaks, or live wires.
8. Make temporary repairs to the building, boarding up windows and covering holes in the roof, and partition the building if some areas are not useable.
9. Enhance safety by using signs to direct customers/employees away from damaged areas as appropriate
10. Conduct a post-disaster audit of plans and procedures, note any changes needed.

CAAR POLICY MANUAL- APPENDIX I

Charlottesville Area Association of REALTORS®



Employee Handbook

Revised 10-31-18

Please contact the CAAR CEO for a copy of the Employee Handbook.
Please call the main office number (434) 817-2227.