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VIRGINIA REALTORS® POLICY & PROCEDURES MANUAL

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(This approved version of this manual supersedes all previous versions.)

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1. PURPOSE

The purpose of Virginia REALTORS® (VR) 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 VR Strategic Plan. Where this document is silent, VR 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 Virginia. This manual may be amended only by action of the Board of Directors at a duly called meeting.

Where the term “**committee**” 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 VR members which has been created by the Association).

2. POLICIES GOVERNING CONDUCT OF BUSINESS

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

2.2. Antitrust Policy. A goal of the Virginia 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, VR 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 VR 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 VR or of any local association or on any competitor that membership in any REALTOR® association be limited to companies practicing particular 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, VR 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 as a whole, 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, VR will take care to avoid anticompetitive effects. General historical statistical data

collected by VR 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 VR 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 particular business model; and
3. Suggestions that a local association or multiple listing services exclude from membership or participation those who practice any particular business model or engage in any unfamiliar or innovative activity or practice. Despite the fact that VR 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 VR 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 VR members, and especially VR volunteers and participants in VR 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 VR 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 VR 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 Virginia 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. (See VR Anti-Trust Policy, Section 2.2)

2.4. Business Philosophy. The Virginia Association of REALTORS® shall be guided by its identified strategic objectives, as articulated in the duly adopted VR Strategic Plan, and shall conduct its affairs as a competently run business.

2.5. Conflict of Interest Policy. A member of any of VR's decision-making bodies will be considered to have a conflict of interest whenever that member:

1. Is a principal, partner or corporate officer of a business providing products or services to VR or in a business being considered as a provider of products or services ("Business:"); or
2. 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 VR's representative;
3. Holds an ownership interest of the Business. Ownership interest includes holdings of the member, the member's spouse, children, siblings and any trust, corporation or partnership in which any of the foregoing individuals is an officer or director, or are owners.

4. 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 VR.
5. Engages in any outside business, profession or other activities that would directly or indirectly materially adversely affect VR; or
6. Solicits or accept gifts, gratuities, free trips, honoraria, personal property, or any other item of value from any person or entity as a direct or indirect inducement to provide special treatment to such donor with respect to matters pertaining to VR without fully disclosing such items to the decision-making body.

The term “**Business**” is used to describe any organized entity including but not limited to: non-profit and for-profit associations, corporations, partnerships and sole-proprietorships.

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, activities or relationship in which they have an interest. Such members may not participate in the discussion relating to that Business, activities, or relationship 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 or activities in which they have an interest. The member may be asked to leave the room at the request of the presiding member of any decision-making body during discussion on the Business, activities or relationship.

Each year, each member of the Board of Directors and all committees will execute a statement confirming that (i) the member commits to adhere to VR’s conflict of interest policies, and (ii) the member will represent all members of VR equally and not a particular subset or local organization thereof and, (iii) the member has not been involved in any Business, activities or relationship that has not been disclosed as required by this policy that would constitute a conflict of interest.

2.6. Pledge of Fiduciary Responsibility and Volunteer Service Agreement. All association elected and appointed volunteers are required annually to commit to a pledge of fiduciary responsibility and a Volunteer Service Agreement, the form and content of which is reviewed annually by association legal counsel and approved by the Board of Directors. Those forms shall comprise Appendix F of this manual.

2.7. Philosophy on Board/Staff Roles and Responsibilities. It is the responsibility of the VR 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 VR Leadership Team, 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 VR’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.

2.8. Leadership Development. VR'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 substantive training.

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

2.10. CEO Evaluation. It is the Association's policy to conduct a performance evaluation of the CEO annually, conducted by the Leadership Team. The Leadership Team shall consider input on the CEO's performance from members of the Board of Directors. A summary of the final performance evaluation should be reported to the full Board of Directors in Executive Session, and the report should be filed in the CEO's personnel file.

2.11. Code of Conduct and Sexual Harassment Policy. The Volunteer/Staff Code of Conduct and Sexual Harassment Policy of the National Association of REALTORS® (NAR) is adopted as the policy of the Association and is incorporated herein as Appendix J. This policy shall, in the future, be deemed to be amended and changed whenever the Code of Conduct and Sexual Harassment is amended or changed by the National Association. Any volunteer who believes he or she has been the subject of sexual harassment should report the alleged act immediately to the VR President. If the complaint involves the VR President, the complaint should be brought to the attention of the VR President-elect. The President or President-elect shall advise the CEO and they shall jointly seek the advice of VR General Counsel regarding investigation of the alleged offense and reporting the preliminary findings of the investigation to the Board of Directors for recommended action. Such actions may include dismissal of the matter or a finding of violation accompanied by any sanction authorized in the association's Code of Ethics and Arbitration process. Any member accused of violating this policy shall be provided an opportunity to speak before the Board of Directors prior to final Board action. VR staff should follow the complaint procedures set forth in the Association's Employee Handbook.

2.12. Employee Policies. The Association shall maintain an Employee Handbook. The Employee Handbook shall govern the personnel matters of the association. An Equal Employment Opportunity Policy, an Employee Whistleblower Policy and an Employee Harassment Policy (all in compliance with federal and state law and regulation) shall be included in the VR Employee Handbook. The VR Employee Handbook may be updated and amended from time to time by the CEO with the advice of VR Legal Counsel. *(Amended 08.24.2015)*

2.13. Member Whistleblower Policy. The VR 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.

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

2.13. B. No Retaliation. No member who in good faith reports a violation of the VR 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.

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

2.13. D. Compliance Officer. VR's CEO, or senior staff member as designated by the CEO, shall serve as VR's compliance officer. The compliance officer is responsible for investigating and seeking resolution to all reported complaints and allegations concerning violations of the VR

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 VR General Counsel shall serve as the Compliance Officer and facilitate the complaint process.

2.13. E. Acting in Good Faith. Anyone filing a complaint concerning a violation or suspected violation of the VR Fiduciary Pledge must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the VR 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.

2.13. 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.

2.13. 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.

3. OPERATIONAL POLICIES

3.1. Budget Process. The Board of Directors shall annually approve an operational budget for the subsequent fiscal year. The dues amount for the 2019 fiscal year shall be \$155, the dues amount for the 2020 fiscal year shall be \$170. The dues amount for the 2021 fiscal year and each year thereafter shall increase by 3% and be rounded to the nearest dollar amount. The new member fee shall be equal to the annual dues amount.

3.2. Disaster Relief Funding. It is the policy of the association to be responsive to members and member associations for support in the event of a man-made or natural disaster. 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 Generally. It is the policy of the Association to promote the broadest possible volunteer member involvement and opportunities for member input and engagement. Committees 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 i.e. "charge", which does not overlap or duplicate the mission and scope of existing committees of the Association. Committees should serve the interests of the broader association membership.

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

3.3. B. Limitations on Member Appointments. In an effort 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 VR committees and no more than one temporary committee in a corresponding period of time. A permanent committee is one established in the VR Bylaws or the VR Policy and Procedures Manual, and a temporary committee is one created by the authority of the president or standing committee chair for a temporary purpose.

Members of the VR Board of Directors (BOD) should not be appointed to committees other than to positions designated specifically for a BOD member. Members of the BOD should relinquish

their non-BOD designated seats on committees to ensure non-BOD members are provided those appointment opportunities. Members of the BOD may be appointed as non-voting BOD Liaisons to committees on which no other member of the BOD or Leadership Team is serving.

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

3.4. Permanent Committees of the Association.

3.4. A. Standing Committees. The following are the Standing Committees approved in the VR bylaws. The makeup and authorities of the committees shall be as approved in the VR bylaws.

3.4. A. (1). The Member Communications Committee.

Committee Charge: To provide advice and direction to VR on how to effectively communicate VR programs and events, i.e. benefits, to members. The committee identifies the membership benefits that REALTORS® would find most valuable, provides guidance in prioritizing these benefits, and gives advice on the most effective and creative ways to communicate these benefits to members

3.4. A. (2). The Professional Development Committee.

Committee Charge: To provide member advice and direction regarding professional development, including Virginia REALTOR® Institute (GRI), educational content for the annual Legislative Conference and fall Convention, Instructor Training workshops, and other member training. To be knowledgeable regarding proprietary school's real estate course offerings provided throughout the Commonwealth of Virginia. To monitor and engage with the Virginia Real Estate Board Education Sub-committee on all matters of real estate licensee education and serve as a resource to the state Board.

3.4. A. (3). Public Policy Committee.

Committee Charge: To provide member advice, direction and recommendation to the Board of Directors regarding: Adding, altering, or eliminating VR's standing positions as listed in the Policy and Procedures Manual Appendix B, and, recommending approval of the VR Annual Legislative Agenda. Additionally, to review the policies contained in legislation proposed before the Virginia General Assembly and recommend VR positions on bills within the constraints of the established VR Policy Positions. To recommend the legislation used for the VR Legislator Report Card. The Committee shall have the following sub-committee:

3.4. A. (3). (a). Condo/Common Interest Community Sub-Committee.

The Public Policy Committee (PPC) may have a sub-committee on Common Interest Community Policy with a Chair, Vice-Chair and up to eight (8) additional members (which may include one Association Executive) designated by the Chair of the Public Policy Committee from among the full committee. The subcommittee members should have experience and expertise in selling or managing property subject to a common interest community association (condominium, homeowners association, etc.).

Committee Charge: To review common interest community related potential or proposed policies and legislation and make recommendations to the PPC regarding VR policy positions.

3.4. A. (4). The Risk Management Committee.

Committee Charge: To provide member advice and direction regarding: current and emerging legal issues and trends, the legal hotline, VR Standard Forms, and other practices designed to reduce Members' legal risk. The Committee shall have the following sub-committee:

3.4. A. (4). (a). The Standard Forms Sub-Committee.

The Risk Management Committee may have a sub-committee on Standard Forms with a Chair, Vice-Chair and up to eight (8) additional members (which may include one Association Executive) designated by the Risk Management Committee Chair from among the full committee of Risk Management. The subcommittee members should have specialties in various disciplines such as residential, commercial, property management and land use and include representatives of potential users of the forms. The charge of the subcommittee shall be as follows:

Committee Charge: To advise and provide direction to VR legal staff regarding standard forms relating to the real estate business and provided by VR as a service to the membership. All forms shall be reviewed by legal counsel and Risk Management Committee before publication.

3.4. B. Permanent Committees. Committees which are not standing committees as identified in the bylaws but are considered permanent committees of the association.

3.4. B. (1). The Association Executive Council.

The Association Executive Council (AEC) is comprised of all local association executives and the state chief executive officer. The vice chair automatically moves up to chair of the AEC each year. Vice-Chair appointments are conducted at the VR Convention meeting by the members of the AEC upon a nomination recommendation by the new AEC Chair.

Committee Charge: To provide encouragement and opportunities for Virginia's association executives to enhance their professionalism and management skills and to contribute to the industry and decision making and planning process of the Virginia Association of REALTORS®. There are two sub-committees which are listed below.

3.4. B. (1). (a). AE Scholarship Sub-Committee.

Select Association Executives may gather to discuss the AE Scholarship for local association executives for use in attending the annual AEI Conference hosted by NAR. Committee members are determined by the council.

3.4. B. (1). (b). AE Conference Planning Sub-Committee.

Select Association Executives may gather to plan the annual AE Conference. Committee members are determined by the council.

3.4. B. (2). Awards Selection Committee.

The VR President shall appoint an Awards Selection Committee. The committee may be composed of nine (9) volunteer members. Criteria for appointment to this committee are provided below. Award recipients cannot be on the Awards Selection Committee. If a member of the Awards Selection Committee is nominated, that individual must withdraw themselves from the committee.

Chair	(Any REALTOR® Member)
Vice Chair	(Any REALTOR® Member)
Member	(Most recent REALTOR® of the Year)
Member	(Past REALTOR® of the Year Recipient)
Member	(Past Hall of Fame Award Recipient)
Member	(Past Hall of Fame Award Recipient)
Member	(Property Managers Council Member)
Member	(Virginia REALTOR® Appraiser)
Member	(Virginia REALTOR® Firm Broker or Manager)

The VR President is encouraged, if possible, to appoint up to two VR Past Presidents among the nine (9) members.

Charge of the Committee: Members of this committee will meet once (1) to review all nominations submitted to VR for the following eight (8) awards.

- Code of Ethics Leadership Award
- VHDA Service of Virginia Award
- Appraiser of the Year
- George Rink Outstanding Real Estate Educator of the Year
- Ann Swearingen Property Manager of the Year
- VR Manager of the Year
- Virginia REALTOR® Hall of Fame*
- Virginia REALTOR® of the Year*

**Awards have specific and separate award criteria and guidelines.*

3.4. B. (3). Grievance Committee.

There shall be a committee, known as the Grievance Committee, comprised of at least twelve (12) REALTORS® in good standing and who meet the following criteria: REALTOR® membership is current and active for the past five years; the member has received updated training in the Code of Ethics; the member has attended a VR-sponsored Professional Standards Road Show within the past two years (or such similar Professional Standards enforcement training as approved by VR); and the member has no pending Code of Ethics charges. Any Grievance Committee member found in violation of the Code of Ethics shall be dismissed from the Committee for the remainder of their term.

Members of the Grievance Committee shall be appointed by the President for 1-year terms. The VR President shall annually designate the Chair and Vice Chair of the Committee. Service on any Grievance Review Panel requires that the member has received updated training on the Code of Ethics for the year of service, as well as for the year to which the matter before the Grievance Committee applies.

Review Panels shall consist of no less than three (3) members assigned by the Grievance Committee Chairperson. If at any time, an impartial Grievance Review Panel cannot be selected from the designated Committee, then the Grievance Committee Chair may select from qualified members of VR, as set forth above.

Grievance Panels may meet in-person or via any technology that allows for real-time exchange of information, including but not limited to telephone conference or video conference. All Grievance Panelists will be expected to observe reasonable precautions to maintain the confidentiality of the process.

Any member of the Grievance Committee who has served on a Review Panel shall not serve simultaneously on a Hearing Panel selected to hear the matter sent forward by the Grievance Review Panel.

Committee Charge: To provide a preliminary review and screening of ethics complaints and arbitration requests which are filed with the Association.

3.4. B. (4). Investment Management Committee.

There shall be an Investment Management Committee of the association. This committee consists of six (6) members who shall be appointed by the VR president for staggered terms of three years except for appointments to fill vacancies to fill unexpired terms which appointments shall be for the unexpired term of the vacancy. No members shall serve more than two full consecutive terms. The Committee Chair shall be designated by the VR President from among the voting members. In addition, the VR Treasurer and REALTORS® Political Action Committee Treasurer shall serve as ex-officio, voting members. The Association's Chief Executive Officer and senior staff member for Finance shall serve as ex-officio, non-voting members.

Committee Charge: To perform all business acts necessary to manage the association's investment funds within policies approved by the Board of Directors.

3.4. B. (5). Legislative Management Committee.

There shall be a Legislative Management Committee of the association. This Committee shall be chaired by the VR President. Additional members shall include the VR Leadership Team. The committee may receive advice on public policy matters from a local association executive, a local association (in-house or contract) staff member, and the VR senior staff member responsible for government affairs.

Committee Charge: To convene on short notice, during the General Assembly Session, in the absence of a meeting of the Board of Directors, to establish legislative policy positions applicable to pending legislation in the absence of an existing VR policy position. The Legislative Management Team shall advise the Board of Directors of its actions no later than the next regularly scheduled Board of Directors meeting.

3.4. B. (6). Professional Standards Committee.

There shall be a Professional Standards Committee of at least ten (10) REALTORS®, appointed by the President, in good standing and who meet the following criteria: REALTOR® membership has been both current and active for the past five years, the member has no pending Code of Ethics charges, the member has received updated Code of Ethics training for that year of service, and the member has attended a VR-sponsored Professional Standards Road Show (or similar Professional Standards enforcement training as approved by VR) within the past two years. The President shall annually designate the Chairperson and Vice Chairperson of the committee. Members shall be appointed to 1 year terms. All REALTORS® who meet the minimum criteria may serve on a VR Hearing Panel and shall be considered auxiliary members of the Professional Standards Committee. Any Committee member found in violation of the Code of Ethics shall be dismissed from service for the remainder of the current term.

Committee Charge: The duties of the Professional Standards Committee shall be those as set forth in the "Suggested Model By-Laws, State Association of REALTORS®," as recommended by the National Association, and in the National Association Code of Ethics and Arbitration Manual. Members of the Professional Standards Committee shall be available to serve on Hearing Panels as required to hear matters of alleged unethical conduct by Members or to provide arbitration as requested. Hearing panels will consist of five (5) panel members and may include one (1) alternate who will serve in the event a panel member cannot attend the hearing. The Professional Standards Committee Shall be responsible for recommending to the Board of Directors the optional policies and procedures, including establishing fees incidental to cases administered under the Professional Standards process to be followed.

3.4. B. (6). (a). The Professional Standards Education Sub-Committee

The Professional Standards Committee may have a sub-committee on Code of Ethics Education with a Chair, Vice-Chair and up to six (6) additional members designated by the Professional Standards Committee Chair from among the full committee of Professional Standards.

Committee Charge: The Professional Standards Education Subcommittee may be charged with establishing ongoing year-round education for members to train them in awareness of the Code of Ethics, its interpretations and its enforcement including VR's annual Road Show, Ombudsman, Mediation, Hearing Panel Chair and any other training deemed necessary. The Subcommittee shall also establish the instructor standards and criteria for such programs to ensure quality and consistency of education.

3.4. B. (7). Property Managers Council.

There shall be a Property Managers Council. The President of VR shall appoint a Chair, Vice Chair and up to 22 members plus one Member Association Executive or staff specialist who shall also be a voting member.

Committee Charge: To seek opportunities to assist VR members engaged in property management with education and professionalism opportunities and to provide advice to other VR committees, such as Standard Forms and Public Policy, on issues of importance to the property management profession.

3.4. B. (7). (a). Property Management Conference Workgroup.

Using the unique expertise of property managers, this workgroup may assist in determining the scope of the Property Management Conference event. This workgroup will be composed of no more than (5) five members and shall be appointed by the Chair of the Property Management Council.

3.4. B. (8). RPAC Fundraising and Broker Involvement Workgroup.

There shall be an RPAC Fundraising and Broker Involvement Workgroup. The workgroup shall be composed of the VR RPAC Fundraising Chair and Vice Chair from the VR BOD, the Chair, Vice Chair and Treasurer of RPAC of Virginia, the VR State Representatives to the NAR REALTOR Party Committees (Broker Involvement, Member Involvement, Participation, Major Investor, and Fundraising), and the VR President and President-elect. The VR CEO and VR senior staff member responsible for government affairs shall serve as ex-officio non-voting members. The VR President shall designate a Chair from among the membership.

Committee Charge: To develop and execute an Annual Plan of Action based on VR and NAR RPAC goals to ensure resources are being used effectively and efficiently so that VR RPAC fundraising and Broker Involvement goals are being met and exceeded.

3.4. B. (9). Strategic Funding Committee.

There shall be a Strategic Funding Committee of the Association. The Committee shall consist of nine (9) members appointed by the President for staggered terms of three years, except for appointments to fill vacancies in unexpired terms, which appointments shall be for the unexpired term of the vacancy. The Chair of the Committee shall be appointed by the President. The immediate past Chair of the Committee shall also be a member of the Committee during the year following service as Chair if his or her regular appointed term expires at the end of the year of service as Chair and he or she is not appointed by the president to a subsequent term. The Chairs of the Public Policy Committee and the Risk Management Committee shall be ex officio, non-voting, members of the Strategic Funding Committee.

Committee Charge: To administer the Legal Action Fund and Issues Mobilization Fund for the benefit of and assistance to the Association and its members who may have a concern, conflict or dispute involving property or development rights, zoning and land use issues, or other actions or policies that adversely affect the business of real estate.

3.4. B. (10). Young Professional's Network.

There shall be a Young Professionals Network of the Association. The President of VR shall appoint a Chair, Vice Chair and up to 22 members plus one local Member Association Executive or staff specialist who shall also be a voting member.

Committee Charge: To help young real estate professionals to excel in their careers by giving them the tools and encouragement to become involved in REALTOR® associations, real estate industry, their peers and community.

3.4. B. (11). Conference Workgroups.

All VR major meetings and conferences should have a corresponding conference workgroup appointed to provide input and advice/direction to VR professional staff regarding program content and other issues that will have a direct impact on member participation and satisfaction. Conferences being proposed are subject to inclusion in the approved VR budget. Conferences may include the VR Annual Convention, VR Legislative Conference, the VR hosted Leadership Conference, the VR Relocation Conference, the VR Commercial Conference, multiple VR Broker Day Conferences, and the Virginia Leadership Academy.

Conference workgroup members may be appointed by the VR President in anticipation of budget inclusion as follows: One Chair, one Vice Chair, and up to three (3) additional advising members all of whom shall be practitioners in the subject matter of the conference. Conference workgroups are designed to be small and nimble to facilitate easy meeting scheduling, quorum requirements, and inclusive communication/participation. The workgroup chair shall serve as the prominent member representative throughout the conference. Conference members should serve no more than three years on the workgroup before rotating off to allow other members an opportunity to serve. After one year off, the committee members are eligible for reappointment.

3.4. B. (12). Forums of the Association.

There may be the following forums of the association.

3.4. B. (12). (a). Federal Political Coordinator (FPC) Forum – FPC Team Members.

Chair of the FPC Forum shall be the VR Member serving as the state representative to the NAR Member Involvement Committee. As a forum, this group has open membership.

Committee Charge: To provide a group of REALTOR® volunteers who are interested in providing support as members of the FPC Teams. The FPCs serve as liaisons to our Federal office-holders known as Members of Congress (MOC). The teams consist of the NAR appointed FPC for the respective MOC along with other volunteers interested in assisting in the development of the REALTOR/MOC relationship. FPCs are appointed by the NAR President upon recommendation by the VR President after each election cycle. Ideally the FPC has an existing personal relationship with the MOC and can be an effective advocate on federal REALTOR issues.

3.4. B. (12). (b). Past Presidents Forum.

The forum shall be composed of all VR Past Presidents. The immediate past president of VR shall serve as the chair of the forum.

Committee Charge: This forum provides valuable strategic advice and recommendations to association leadership and the VR CEO.

3.4. B. (12). (c). REALTOR Firm Education Directors Forum.

This workgroup consists of a presidentially appointed Chair and Vice-Chair. Additional members should consist of the internal trainers and educators of REALTOR® Firms.

Committee Charge: Members of this forum shall meet to discuss current events and education topics. This forum shall provide professional networking and growth opportunity for in-house firm trainers and educators who are REALTOR® Members.

3.4. B. (12). (d). RPAC Local Fundraising Chairs Forum.

The RPAC Fundraising Chair and Vice Chair shall serve as the respective chair and vice chair of this forum. Membership shall be open to the chairs of the local association RPAC committees.

Committee Charge: This forum will meet twice per year for RPAC fundraising training and education on fundraising resources available to assist local associations fundraising.

3.4. C. The Virginia Leadership Academy (VLA) Alumni Chapter.

There shall be a VLA Alumni Chapter of the Association. The Chapter shall be composed of all graduates of the Leadership Academy program sponsored by the Virginia REALTORS®. The chapter activities shall be managed by a group of Chapter Directors elected at the annual meeting of the chapter. The Chapter Directors may delegate management authorities to the Chapter Chair, Vice Chair and/or Treasurer.

All members of the chapter, in good standing, shall be eligible to vote for Directors to represent their graduating class. Each Director nominee shall be a member in good standing of the Chapter. Each Director shall serve for a term of three years and shall serve until a successor shall have been elected. No director shall serve for more than two consecutive terms unless extraordinary circumstances exist and continued service is approved by a majority of the directors present at a meeting of the chapter at which a quorum is present. The number of Directors shall consist of two members of each graduating class of the VLA. By vote of a majority of the chapter directors, the number of Directors may be decreased or increased provided that each class shall be entitled to have at least one director elected from among their graduating class. At any regular or special meeting, the chapter directors have the power to fill a vacancy occurring in any position.

For the purposes of the VLA Alumni Chapter, one third (1/3) of the Directors present shall constitute a quorum.

The leadership of the Chapter shall consist of a Chair, Vice Chair, and Treasurer. Leaders shall be elected by, and from among, the Directors each year immediately following the election of the new Directors at the annual meeting.

The chapter is authorized to collect dues. If dues are established, only dues paying members will be considered in "good standing". A VLA Alumni Chapter Dues Fund will be maintained at VR according to VR financial policies and procedures. Funds can be used to facilitate meetings of the chapter, provide scholarships and sponsorships for current and future VLA Academies, and to

advance the interests of the Chapter within the broader interests and strategic goals of the Virginia REALTORS®. Funds may be allocated based on a majority vote of the chapter Directors. Allocations of fund amounts under \$1,000 may be authorized by the vote of the chapter leaders in the absence of a Director meeting.

All other operating and governing policies, as contained in the VR Bylaws and this manual, or by action of the VR BOD, apply to this Chapter.

Committee Charge: This Chapter shall maintain the bond among members who have graduated from the Virginia Leadership Academy and conduct activities to promote current and future Virginia REALTORS® Leadership programs.

3.4. D. Sub-Committees of the Board of Directors.

The following shall be sub-committees of the Board of Directors.

3.4. D. (1). Budget Committee of the Board of Directors.

The VR Board of Directors shall have a Budget Committee of the Board. The VR Treasurer will chair this committee. The Chair and Vice Chair of the Investment Management Committee shall serve as ex-officio non-voting members. Up to 1/3 of the members of the Board of Directors (which may include the Association Executive serving on the Board) shall be appointed to this committee by the VR President.

Committee Charge: To review and recommend the VR annual budget for approval by the Board of Directors.

3.4. D. (2). Strategy Committee of the Board of Directors.

The VR Board of Directors may have a Strategy Committee of the Board. The VR President may appoint a Chair and Vice Chair of the Committee from the Board of Directors as well as appoint up to 1/3 of the members of the Board of Directors (which may include the Association Executive serving on the Board) to serve on the committee.

Committee Charge: To lead in development or amendment of the VR Strategic Plan. Activities toward this end may include ideation, data gathering, deliberating, forecasting, and proposing strategy to the full Board of Directors and the Delegate Body.

3.5. Governance Meeting Processes.

3.5. A. Committee Operations Manual. VR shall maintain a Committee Operations Manual. The manual shall contain guidance to staff and volunteers regarding things such as meeting agenda content, meeting conduct, meeting notice time frames, recording of meeting minutes, staff liaison responsibilities and a process for allowing meetings by electronic or telephonic means. The Committee Operations Manual shall contain a Working Group Authorization Form which must be approved by the President of the Association before a committee of any type can be created. The Committee Operations Manual may be updated from time to time by the CEO with input from the Leadership Team and the Board of Directors. The Committee Operations Manual is incorporated herein as Appendix H.

3.5. B. Board of Directors Meetings shall be conducted as required by the VR Bylaws. Agendas for all Board of Directors meetings shall include a section reserved for Leadership Team Reporting concerning official actions taken between meetings as allowed by the VR Bylaws Article 8, section 6.

3.5. C. Board of Directors Elections. Elections shall be conducted as required in the VR Bylaws. Realtors elected to serve as a member of VR's Board of Directors shall serve in the tier from which they are elected, for the duration of their term.

3.6. 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.

3.7. Meetings and Conference Policies.

3.7. A. Convention Location and Format. The VR Board of Directors is the approving authority for the annual meeting/convention location. VR staff will make recommendations to the Board and once a location is determined will seek input from the Convention Workgroup regarding content, networking opportunities and format.

3.7. B. Registration Policies.

1. The payment of registration fees for each of **VR's two major meetings** (fall annual meeting and convention and February legislative conference) shall be waived for the meeting's conference chair, speakers, invited special guests, and VR Past Presidents and their spouses. Additionally, registration fees at all other VR conferences shall be waived for the chair of that conference.
2. Registration shall be required, but no registration fee shall be assessed for members attending governance meetings only, however, attendance at food functions, education sessions or any meetings or non-governance conferences will require payment of registration fees by all members attending.
3. All cancellation requests must be made in writing.
4. Complimentary registration fees, a single hotel room, event tickets, and meal expenses, shall be provided for the Leadership Team and an accompanying spouse/guest at the two VR major meetings.

3.7. C. Meeting Evaluations. A standard evaluation instrument shall be distributed to meeting participants. Written summaries of meeting evaluations may be provided to the Board of Directors upon request.

3.8. Member Awards and Recognition Policy. VR shall seek to honor and recognize Members of the Association through awards and recognitions. The VR Awards and Recognitions Policy Manual is incorporated herein as Appendix I and shall be updated from time to time by action of the Board of Directors.

3.9. NAR Affiliates. The Association shall encourage its members to pursue and continue active involvement in NAR's Institutes, Societies and Councils, by providing literature to VR Conference participants and publishing information of interest to affiliate members in *Commonwealth Magazine* and other suitable publications. Upon request, the Association shall make available fee-based staff coordination of the major administrative functions of Virginia chapters of NAR affiliates.

3.10. NAR Leadership and Influence. The Association shall take appropriate measures to ensure a Virginia leadership and influence at all levels of the National Association of REALTORS®. The Association shall annually review its representations in positions of leadership within NAR, including officer, committee and other volunteer positions. The Association shall establish specific goals concerning VR representation in positions of leadership within NAR. The Association shall recommend a robust slate of Virginians for appointment to NAR committees and working groups each year, and shall strive to move competent Virginians into appointed committee leadership and elected officer positions. The Association will regularly review and evaluate the procedures used for the selection of VR members for positions at the NAR level. The political and fiscal implications of achieving these goals shall be analyzed, with necessary funding to be determined and allocated by the Board of Directors.

3.11. Office Location. The executive offices of the Virginia REALTORS® shall be at 10231 Telegraph Road, Glen Allen, Virginia 23059, and at such other locations as may be provided by the Board of Directors.

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

3.13. 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 member 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.

3.14. Policy on Electronic Mail Privacy. Virginia REALTORS® 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, Virginia REALTORS® 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 to any individual or entity, including members of Virginia REALTORS®, charities, political associations or candidates, vendors, contractors or affinity partners with the exception of providing the Delegate Body member e-mail addresses to certified candidates for election at the upcoming Delegate Body Meeting. Virginia REALTORS® will obtain from all individuals and entities with whom Virginia REALTORS® deals and who might have access to such email addresses the contractual commitment to abide by this policy.

3.15. Provisional Members. VR will begin providing service to new/provisional members within seven days of the entrance of the new member record into the National REALTOR Database System (NRDS). Local associations are strongly encouraged to enter the new member information into NRDS immediately upon receipt of the member application for REALTOR® and REALTOR-ASSOCIATES® or upon receipt of a non-member data form. Dues should be remitted in accordance with the NAR policy for new/provisional members.

3.16. Regulatory Appointments. It is the policy of the Association to make recommendations to the Governor for appointments to real estate related regulatory agencies. We recognize the political nature of such appointments and *take seriously the need to handle the identification of appointee prospects and the resulting recommendations with great political sensitivity.* VR also recognizes the importance of appointing persons who are committed to the rule of law and due process, and who will act only within the scope of their regulatory and legal authority. VR will take such steps as are appropriate to secure assurances that candidates share these views.

3.16. A. Process. When practical, the process for making recommendations shall be as follows: VR staff shall actively solicit member and local association input prior to the expiration of terms on regulatory boards or commissions of the Commonwealth. When there is an expiring term or vacancy on a real estate or property rights related board or commission, it shall be the policy of VR to recommend to the Governor at least one name for each vacancy. The Leadership Team shall interview potential candidates. Following the interviews, the Leadership Team shall determine a final list of nominees to recommend to the Board of Directors. The Board of Directors shall ratify the list before it is submitted to the Governor. Incumbents, previously VR endorsed, REALTOR Members eligible for reappointment shall remain endorsed by VR unless action is taken by the Board of Directors to withdraw the original endorsement.

3.17. Responsibilities of Board of Directors members include, but are not limited to the following:

- 3.17. 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.
- 3.17. B.** Approve the annual program/budget and legislative package.
- 3.17. C.** Recommend changes to the Association mission, vision and strategic plan.
- 3.17. D.** Elect officers.

- 3.17. E. Recommend Bylaws amendments and candidates for National Association Directors and Regional Vice-President for vote by Delegate body.
- 3.17. F. Employ and discharge the Chief Executive Officer and may prescribe his/her functions.
- 3.17. G. Approve the Policy & Procedures Manual.
- 3.17. H. Consider requests and recommendations of the committees and working groups.
- 3.17. I. Attend the annual VR Road Show training.
- 3.17. J. 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.
- 3.17. K. During VR's two major conferences, attend:
 - 1. Board of Directors Meeting
 - 2. Delegate Body Meeting
 - 3. At least one committee or Specialty Group meeting
 - 4. Awards Reception (Legislative Conference)
 - 5. Legislative Reception (Legislative Conference)
 - 6. Day on the Hill (Legislative Conference)
 - 7. Other events as requested

3.18. Standard Forms. Association standard forms are provided as a member service and may be used only by members in good standing of the Association. The reproduction of any such standard form in whole or in part, or the use of the name "Virginia Association of REALTORS®", in connection with any other form, is expressly prohibited without the prior written consent of the Association.

3.19. Use of VR Letterhead. VR letterhead may be used for official association business only. Under no circumstance should blank letterhead or envelopes be provided to any VR officer or member for any reason. Letterhead may be provided to a printer or mailing service only with the prior written approval of the CEO. Letterhead is for staff use only, at the direction of the Leadership Team and Board of Directors.

3.20. Use of VR Membership List.

3.20. A. Mailing List/Commercial Use. The Association's membership list may be rented to members and others on a limited basis for commercial purposes. "Commercial use" shall be defined as any use in which the user could directly gain financially from the use of the membership list. Rental of the list shall include member name, firm name and preferred mailing address only. Under no circumstances will email addresses be provided to any party for commercial use. Requests for renting the membership list must be in writing and include a copy of the material to be mailed. Requests shall be evaluated by the CEO or senior staff member designated by the CEO and shall be approved by the CEO.

Requests that meet the following criteria may be approved:

- 1. The product, service or information must be clearly related to the real estate industry.
- 2. The product, service or information must be consistent with the philosophies, purposes, policies, practices and interest of the Virginia REALTORS®.
- 3. The individual or organization requesting the mailing list must demonstrate the ability, experience, intent, and capability to deliver the product, service or information as represented. The information required may include appropriate financial references, or other sources of assurances deemed necessary by the Association.

Lists other than the Association's membership list may be rented on a limited basis for commercial purposes. Requests for renting lists other than the membership list must be received in writing and include a copy of the material to be mailed. Requests shall be reviewed by CEO or senior staff member designated by the CEO.

Each year the CEO or senior staff member designated by the CEO will review the price structure for rental of the membership list or other lists owned by the Association and present a price structure to the Information Management Committee for its approval. The price structure shall

contain costs on a per name basis, set a minimum charge and set a charge per selection criteria. The price structure shall also set a limit on the number of times a list may be used. This section shall not be construed to limit the ability of VR to enter into an agreement whereby VR receives goods, services or other compensation of equivalent or greater value as compensation for rental of a list.

Rental of mailing list shall not constitute an endorsement or warranty by VR.

3.20. B. Mailing List/Non-Commercial Use.

3.20. B. (1). General. “Non-Commercial Use” shall be defined as any use in which the user will not directly gain financially from the use of the list provided. Requests for the use of the membership list must be in writing and include a copy of the material to be mailed. Requests shall be evaluated by the CEO or senior staff member designated by the CEO and shall be approved by the CEO. Requests that meet the following criteria may be approved:

1. The use must clearly relate to the real estate industry.
2. The use must not be inconsistent with the philosophies, purposes, policies, practices, and interests of the Virginia REALTORS®.
3. The individual or organization requesting the mailing list must demonstrate the ability, experience, intent and capability to deliver the product, service or information as represented. The information may include appropriate financial references, or other sources of assurances deemed necessary by the Association.

3.20. B. (2). Political Candidates. Any list owned by the Association may be used to support a political candidate only if that candidate has received, at the appropriate level, an endorsement or financial support of the REALTORS® Political Action Committee of Virginia. The use of a list for this purpose must be authorized by the CEO or senior staff member designated by the CEO.

Any list owned by the Association may be used to promote non-campaign related activities of an elected official, or activities of a government entity if it meets the requirements set out in subsection B of this section. The use of a list for this purpose must be authorized by the CEO or senior staff member designated by the CEO.

3.20. B. (3). Use by REALTOR® Members. The membership list may not be used to recruit agents or brokers from another firm, and will not be used for that purpose by any other REALTOR® association.

A list will be supplied, if requested by a VR member who has properly filed their candidacy for VR Officer, Board of Director, or NAR Officer or Director, solely for the use of promoting their candidacy.

4. FINANCIAL POLICIES

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

4.2. Access to Records by Members. VR shall comply with the Virginia Non Stock Corporation Act with regards to document access by members.

4.3. Association Vehicle. An Association vehicle, if maintained, shall be for specific business purposes for use by VR employees who have a valid driver's license, and with the advance approval of the chief executive officer. The chief executive officer or his appointed representative is responsible for the safety and maintenance of the vehicle. Regular maintenance shall be performed on the vehicle in a timely manner, and maintenance records shall be maintained by the chief executive officer or his appointed representative in the Association offices. Persons using the Association vehicle shall not smoke, use tobacco products or consume alcoholic beverages in the vehicle. For reasons of safety and security, the responsible employee may be required to keep the vehicle overnight and commute between home and work.

4.4. 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.

4.4. A. Travel Expense Policies for Leadership Team Members. The expense budget for the Leadership team will be established each year in the annual budget approved by the Board of Directors. In order to receive reimbursement for travel expenses, or pay for expenses using a VR provided Credit Card, officers must complete the approved Travel Expense Report and submit with receipts within 30 days of the expenditure. The President and President-elect commit a significant portion of their time away from home conducting outreach and tending to the business of the Association. The Board of Directors encourages this conduct but acknowledges the significant impact these absences can have on member's family relationships. In recognition of these impacts, it is the policy of the Association that the President and President-elect may be accompanied on their travel for the Association by their spouse/family member at the expense of the Association and subject to the policies articulated below.

4.4. A. (1). Covered Events. The following are the covered events.

1. All Meetings and Conferences of the Virginia REALTORS®
2. The NAR Annual Convention
3. The NAR Annual Legislative Conference (DC Meeting)
4. Outreach meetings to Virginia local associations

4.4. A. (2). Covered Expenses. The Following are the covered expenses.

4.4. A. (2). (a). Lodging. For instances when lodging expenses will be covered, lodging must be booked with a preferred hotel at the VR or NAR negotiated rate when available. If an officer 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. The traveling officer shall be authorized only one hotel room per travel night. Each officer will be reimbursed for the nights necessary to facilitate meeting or conference attendance. Actual registration and attendance at the events is required.

4.4. A. (2). (b). Parking/Tolls. Reasonable parking and tolls associated with traveling to or from the events.

4.4. A. (2). (c). Travel and Mileage. Officers will be reimbursed for mileage at the IRS maximum allowable rate. Mileage will be calculated as the lesser of the miles driven or the mileage from their home location to the event. When round trip travel is in excess of 150 miles, officers are encouraged to utilize a rental car under the VR rental car preferred provider agreement. When air travel is required, the member will work with VR 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.

4.4. A. (2). (d). Other Expenses covered by the Per Diem. A Per Diem rate for the Leadership Team shall be set by the Board of Directors in the approved budget each year. Meals and other incidental costs will be reimbursed at the lesser of the per diem rate approved by the Board of Directors and the actual costs incurred, however, if the meal event involves outreach with National, State or Local Association members, the per diem rate may be exceeded. Officers are subject to their fiduciary obligations to the Association and must use good judgment with regard to the cost and purpose of expenditures exceeding the daily per diem rate.

4.4. A. (3). VR Credit Cards. Leadership Team Members in possession of a VR Credit Card must comply with the VR Credit Card Policies found in Appendix C.

4.4. B. Travel Expense Reimbursement Policies for Board of Directors.

The expense reimbursement amounts and the Per Diem rate for the Board of Directors will be established each year in the annual budget. In order to receive reimbursement for travel expenses, directors must complete the approved Travel Expense Report and submit with receipts within 30 days of the expenditure.

4.4. B. (1). Covered Events. The following are the covered events.

1. VR Board of Director meetings
2. Leadership Conference
3. Legislative Conference and Annual Convention. Each director will be reimbursed for up to a combined seven nights of travel to attend VR's two major meetings. Directors may determine the allocation of the seven nights between the two events but all nights must fall within the published program dates of the events, and actual registration and attendance at the events is required.
4. Visit to Local Associations as Local Association Liaison. *(Amended 9/10/2015)*

4.4. B. (2). Covered Expenses. The following are the covered expenses.

4.4. B. (2). (a). Lodging. For instances when lodging expenses will be covered, lodging must be booked with a preferred hotel at the VR negotiated rate, when available. If a director chooses not to stay at a VR preferred hotel and/or the rate paid exceeds the negotiated rate, the director will not be reimbursed for the excess amount of the charge over the VR negotiated rate.

4.4. B. (2). (b). Parking/Tolls. Reasonable parking and tolls associated with traveling to or from the events.

4.4. B. (2). (c). Mileage. Directors will be reimbursed for mileage at the IRS maximum allowable rate. Mileage will be calculated as the lesser of the miles driven or the mileage from their home location to the event.

4.4. B. (2). (d). Other Expenses Covered by the Per Diem. Meals and other incidental costs will be reimbursed at the lesser of the per diem rate approved by the Board of Directors and the actual costs incurred. The current per diem shall be set annually by the Board of Directors in the budget.

4.4. B. (2). (e). Non-reimbursable Expenses. Certain expenses are excluded from the VR reimbursement policy. These expenses include but are not limited

to: Entertainment, dry cleaning/laundry, fitness center fees, and personal telephone calls.

4.4. B. (2). (f). Travel in Excess of 180 Miles (one way). One night of lodging will be covered for any director traveling in excess of 180 miles (one way) to attend any of the above-mentioned meetings. See lodging provision above.

4.4. B. (2). (g). Expense Reimbursement Time Frame. Travel expense reimbursements will be distributed or mailed within 30 days of the receipt of properly approved requests.

4.4. C. Travel Expense Reimbursement Policies for NAR Directors, NAR Chairs or Vice Chairs and NAR Committee Members. Virginia REALTOR® Members serving as NAR Directors, NAR Chairs or Vice Chairs or NAR Committee Members shall be eligible for travel reimbursement and a daily stipend for attendance at the NAR Annual Conference and NAR REALTOR® Party (Washington D.C.) Conference subject to funding in the annual VR budget and requirements as follows:

4.4. C. (1). Daily Stipend. The VR Board of Directors shall set an NAR daily meeting attendance stipend in the annual VR budget. NAR Directors, Committee Chairs and Vice Chairs shall be eligible to receive 100% of the daily stipend, and NAR Committee Members will be eligible to receive 50% of the daily stipend, for each day attended, of the NAR meeting beginning with the day of the NAR kickoff event (currently called 360) through the end of any Director voting at the final NAR Director meeting. An additional daily stipend may be paid for of the above identified members required to attend an NAR related meeting held in advance of the first day, or subsequent to the last day, of the published meeting dates upon approval by the VR Treasurer and VR CEO.

4.4. C. (2). Mileage. Mileage costs will be reimbursed at the IRS maximum allowable rate for attendance at the NAR REALTOR® Party Conference/DC meeting. Mileage will be calculated as the lesser of the miles driven or the most direct mileage from their home location to the event.

4.4. C. (3). Airfare for Attendance at NAR Convention. Coach/economy airfare will be reimbursed to and from the event location provided it is booked at least two weeks in advance of travel and receipts to document the ticket purchase are provided to VR.

4.4. C. (4). Expense Reimbursement Process. The Member will complete and certify the following information on a form provided by VR, and submitted to VR within 30 days of the last day of the expense.

1. The Member attended NAR meetings each day for which the stipend is requested
2. Reimbursement, or additional reimbursement, was not, and will not be provided by another source (employer, real estate firm, local association)
3. Director fully attended the three required meetings for receipt of stipend on those specific days:
 1. The Virginia NAR Directors Caucus meetings,
 2. The Region 3 **Caucus** meeting, and
 3. The final NAR Board of Directors meeting to the conclusion of any NAR Director voting.
4. Chairs, Vice Chairs and Committee Members fully attended the six (6) required meetings for receipt of the stipend on those specific days (if not in conflict with their appointed committee meetings) and communicate to Virginia REALTORS® regarding matters of substance which could be beneficial for Virginia REALTORS® to be aware of:

1. NAR 360,
2. Member's Appointed Committee Meeting,
3. The Virginia or Region 3 General Reception,
4. The Virginia NAR Directors Caucus meetings,
5. The Region 3 Caucus meeting, and
6. The final NAR Board of Directors meeting to the conclusion of any NAR Director voting (only required if member is requesting stipend for this day).

4.4. C. (5). Expense Reimbursement Time Frame. Travel expense reimbursements will be distributed or mailed within 30 days of the receipt of properly approved requests.

4.4. D. NAR Leadership Academy Expense Reimbursement Stipend. The Board of Directors may fund a Stipend to reimburse expenses of VR Members who successfully complete the NAR Leadership Academy. To receive the stipend the VR Member must:

1. Successfully complete (graduate from) the NAR Leadership Academy;
2. Submit a written report to the VR Board of Directors describing their experience and how they will use the leadership training to benefit Virginia REALTORS®;
3. Apply for reimbursement by filling out and signing a form provided by VR which contains an affirmative statement that the expenses submitted for reimbursement were not reimbursed by any other party, and;
4. Provide VR copies of receipts for the expenses for which reimbursement is requested.

Any stipend is at the discretion of the VR Board of Directors and will be determined in the VR Annual Budget each year. Stipends will be reported as income to the IRS on form 1099.

5. LEGISLATIVE ADVOCACY POLICIES

5.1. 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 Policy Committee; or, during the session of the General Assembly, policy positions may be determined by the Legislative Management Team under the limited guidelines in Section 5.3.

5.1. A. Submission of Issues.

5.1. A. (1). Any member of the Virginia Association of REALTORS® who would like the VR Public Policy Committee to recommend a formal position on an issue at the local, state or federal level should submit a letter to his or her local association 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.

5.1. A. (2). The local association should, through its Board of Directors, consider the issue(s) and vote whether or not to endorse the issue(s).

5.1. A. (3). If there is no local association legislative process for handling the request, it may be forwarded directly to the VR CEO or senior staff member designated by the CEO.

5.1. A. (4). Any Member may submit an issue for consideration directly through the VR Online Portal, REALTORSCHOOSE.com or other means as may be created by VR for this purpose in the future. All issues submitted must be within the scope of advocating for the real estate industry or the protection of property rights.

5.1. A. (5). Once an issue has been endorsed by the local association, it should then be forwarded to the VR CEO or senior staff member designated by the CEO. The issue must be formally submitted to VR in written form to include:

1. The name of the sponsoring REALTOR® Member
2. The name of the Member's local association
3. Whether the issue is local, state or federal
4. The Member's rationale for recommending pursuit of the issue and any supporting comments from the local association
5. All relevant background and support materials

5.1. B. Deadline. All issues are to be forwarded to VR as set forth in a timeline to be designated by the CEO or senior staff member designated by the CEO and approved by the Public Policy Committee chairman.

5.1. C. Review by VR Public Policy Committee. At the summer and fall meetings, the Public Policy Committee will discuss a draft of the legislative package; revise as necessary and forward Public Policy Committee-recommended drafts to each local association. Following feedback from local associations, the Public Policy Committee shall submit the recommended package to the Board of Directors for review at the annual convention meeting.

5.1. D. Review by VR Board of Directors. The Board of Directors will review the recommended legislative package. Any local association that takes a dissenting position from the position recommended by the Public Policy Committee will be afforded an opportunity to present that position to the Board of Directors. The Board of Directors has ultimate authority for approving the legislative package.

5.1. E. Adding Additional Issues. The Public Policy Committee may recommend to the Board of Directors the addition of any additional issues to the legislative package at any time, as issues arise. However, those issues must be subject to the process prescribed in section 5.1 A. The Board of Directors may reassess and make any needed additions/adjustments to the legislative package at its December meeting.

5.1. F. Distribution. Once the legislative package has been approved by the Board of Directors, the CEO or senior staff member designated by the CEO shall provide a copy of the approved package to the VR Board of Directors, the Public Policy Committee, RPAC Trustees, local association presidents, association executives and local association government affairs directors.

5.2. Appeals Process. Any local association can appeal the recommended position of the Public Policy Committee by notifying the CEO or senior staff member designated by the CEO in writing, who will then contact the VR Leadership Team. A majority vote of the VR Leadership Team will decide the issue. However, if the VR Board of Directors is in session, the question will be decided by a majority vote of the Board of Directors. The local association representatives, chairman and vice chairman of the Public Policy Committee and the CEO or senior staff member designated by the CEO will be included in the appeals process.

6. LEGAL ACTION FUND

The Legal Action Fund (the Fund) established pursuant to Article III, Section 1 of the bylaws of the Association shall be administered in accordance with these policies and procedures.

6.1. Purposes, Goals and Funding Criteria. The principal purposes of the Fund are to provide financial resources and other assistance to individuals, including but not limited to the Association, member boards and members in Virginia engaged in legal actions that may result in the determination of the relevant legal

issues in a manner that may have important precedential significance to private property owners, real estate licensees, real estate associations, or the real estate industry generally in Virginia. 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. It is essential to explain to the Committee why the case will have state-wide legal impact. Support is not available for cases that will affect only the specific litigants or affect only the law of a particular local jurisdiction. Financial support provided to litigants may be used for legal fees and expenses only, and may not be used to pay judgments, damages, fines, settlements, or opposing counsel's legal fees. 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.

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

1. Direct appropriation from the budget or reserves of the Association, as authorized by the Board of Directors.
2. Annual or special dues assessments or allocations to support the Fund, as may be authorized by the bylaws of the Association.
3. Revenues derived from other sources or activities in a manner and at such times as deemed necessary and appropriate by the Board of Directors.

The Fund has no minimum or maximum balance thresholds.

Monies in the Fund may be invested in accordance with the VR Investment Policy.

6.3. Administration. The Fund shall be administered by the Strategic Fund Committee (the Committee). Association staff shall account for all Fund monies, and shall disburse such monies as recommended by the Committee and approved by the Committee or the Board of Directors.

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 Committee or as otherwise set out herein.

6.4. Requests for Assistance. All requests for support from the Fund must be made in writing and initiated or supported by the Association or a member association. The Chair of the Committee shall convene a meeting of the Committee to consider the request within forty-five (45) days after the Committee's receipt of such request.

The Committee, in collaboration with VR Chief Executive Officer, counsel or other representative of the member board, and with the assistance of VR General Counsel or association counsel, shall study the merits and implications of each request for support. The requesting party may appear before the Committee to support the request and answer any questions posed by the Committee and shall then be excused from the meeting. The Committee shall then consider the request in executive session and adopt recommendations for support in appropriate cases. Should the Committee decide to approve funding of a request, it will submit to the Board of Directors a written summary of the meeting and a written decision (in such cases where Board of Directors approval is not required) or (in cases where Board of Directors approval is required) a recommendation for approval by the Board of Directors. Among the factors to be considered in determining whether to support the request for funding and other support will be the willingness of the applicant and the applicant's local member board to participate in the funding of the litigation or other action.

The Committee and/or the Board of Directors may condition support on retaining counsel deemed most experienced in the issues and controversies presented, on various levels of support provided by the

National Association of REALTORS® and/or local association(s), or on other prerequisites. All support of the Committee is conditioned on the requirement that Board of Directors and/or its counsel be consulted and advised on a current and continuing basis concerning decisions relating to the litigation or other action that is being supported, including but not limited to the theories and strategies of the case, the procedural steps to be taken, the parties to the action, the issues to be raised, the timing of discovery, motions and other matters, and the nature and scope of research to be performed. Failure to consult as required or failure to cooperate with the Board of Directors may result in the immediate suspension of all support of the litigation or other action and the termination of such support unless the member board, member or other recipient of support justifies such failures or otherwise satisfies the Committee and/or the Board of Directors, in their sole discretion, that support should be continued.

The Committee shall have the authority to approve, without approval of the Board of Directors, initial requests for funding not exceeding \$10,000. In all cases where the initial request exceeds \$10,000, and in all cases where subsequent requests from the same applicant bring the aggregate amount requested by that applicant to an amount that exceeds \$10,000, approval of the Board of Directors for the amount in excess of \$10,000 shall be required.

All appropriations from the Fund shall be disbursed as authorized by the Board of Directors or the Committee upon the satisfaction of all contingencies, conditions or prerequisites imposed and upon receipt of verified statements of expenses at least equal to the disbursement.

Appeal of decisions of the Committee either to reject the request or to approve an amount less than the amount requested shall be made in writing to the Committee within thirty days after notice to the applicant of the adverse decision of the Committee. The chairman of the Committee shall submit the appeal to the Leadership Team. Counsel for the applicant and a representative of the Committee shall address the Leadership Team at the next regularly scheduled meeting of the Leadership Team or at a special meeting called for the purpose of considering the appeal. Upon a majority vote of the Leadership Team, an alternative proposal for funding, including any conditions imposed by the Leadership Team, shall be submitted to the Board of Directors for its consideration.

7. ISSUES MOBILIZATION FUND

The Issues Mobilization Fund (the Fund), established pursuant to Article III, Section 1 of the bylaws of the Association, shall be administered in accordance with these policies and procedures.

7.1. Purposes, Goals and Funding Criteria. The Issues Mobilization Fund shall be available to fund state and local initiatives to address issues as identified by local associations or the state association that impact the real estate industry and to property owners, from a local, regional or statewide perspective.

It shall be the responsibility of the Strategic Fund Committee, with consultation from the VR CEO, General Counsel and Chief of Policy and Advocacy to determine the significance of the issue and whether the impact to the real estate industry warrants funding.

Requests for financial assistance from the VR Issues Mobilization Fund concerning state issues or local issues will be considered. Funds cannot be used for activities that either directly or indirectly endorse a candidate for public office. Appropriate expenditures include:

1. Ballot Measure Campaigns.
2. Grassroots Lobbying Activities:
 - a. Letter writing campaigns.
 - b. Advertisements/Mass Media/Public Relations:
 - i. Radio
 - ii. Television
 - iii. Newspaper

- iv. Promotional material
- 3. Hosting educational forums intended to raise the level of awareness about an issue.
- 4. Contributions to, or in conjunction with, other grassroots lobbying organizations concerning a common issue.
- 5. Issue Advocacy:
 - a. Expenses associated with a contract employing a professional advocate.
 - b. Participation in key seminars and workshops.
- 6. Data collection to assist with the development of strategies.
 - a. Public opinion surveys.
 - b. Polling.
 - c. Phone Banks.

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

- 1. Direct appropriation from the budget or reserves of the Association, as authorized by the Board of Directors.
- 2. Annual or special dues assessments or allocations to support the Fund, as may be authorized by the bylaws of the Association.
- 3. Revenues derived from other sources or activities in a manner and at such times as deemed necessary and appropriate by the Board of Directors.

The Fund may not have a balance over \$5,000,000 at the end of the fiscal year.

Monies in the Fund may be invested in accordance with the VR Investment Policy.

7.3. Administration. The Fund shall be administered by the Strategic Fund Committee (the Committee). Association staff shall account for all Fund monies, and shall disburse such monies as recommended by the Committee and approved by Committee or the Board of Directors.

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 Committee or as otherwise set out herein.

7.4. Requests for Assistance. All applications for funding shall be submitted on the Strategic Fund Committee-approved application form, and shall be signed by the requesting association president and the association executive, if there is an association executive.

Any consideration for support of an issue must be in accordance with Virginia Association of REALTORS® adopted policies and positions.

All requests for funds in excess of \$15,000 from the Issues Mobilization Fund must be approved by the Strategic Fund Committee. The Strategic Fund Committee may approve individual requests for funds up to a maximum of \$50,000 per request. Any request greater than \$50,000 must be forwarded to the Board of Directors, with a favorable recommendation by the Strategic Fund Committee, for approval.

Any expenditure from the Issues Mobilization Fund must be reported to the VR Board of Directors at the first Board of Directors meeting following approval of the expenditure.

When the size of a request makes it necessary for both the Strategic Fund Committee and the Board of Directors to review the funding request, every effort will be made to complete both meetings within 45 days of receiving a completed Issues Mobilization Fund Request Form.

Local associations seeking assistance from VR's Issues Mobilization Fund are strongly encouraged to seek funds from NAR's Issues Mobilization Fund as well.

Monies in this fund will be approved as follows:

1. Individual funding requests of no more than \$50,000 may be approved solely at the discretion of the Strategic Fund Committee.
2. Individual funding requests in excess of \$50,000 must be approved by both the Strategic Fund Committee and the VR Board of Directors.
3. No funding request may be considered by the Board of Directors without a favorable recommendation from the Strategic Fund Committee.
4. Upon receipt of a funding request, the appropriate body or persons (see above) shall take one of the following actions:
 - a. Grant the funding request in full.
 - b. Grant a portion of the funding request.
 - c. Deny the funding request.
 - d. Provide funding if certain conditions are met, as may be required by the appropriate granting entity (Strategic Fund Committee or Board of Directors).
 - e. Postpone a decision until the granting entity receives additional information.

The Strategic Fund Committee shall be provided a final report, including an accounting of fund expenditures, not more than 30 days following resolution of the issue by the association receiving the funds.

8. CAPITAL REPLACEMENT FUND

8.1. The Capital Replacement Fund. The Fund established pursuant to Article III, Section 1 of the bylaws of the Association shall be administered in accordance with these policies and procedures.

8.2. Purposes, Goals and Funding Criteria. VR shall maintain a Capital Replacement Fund to fund expansion, major repairs and capital expenditures (including personal property) associated with the association.

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

1. Direct appropriation from the budget or reserves of the Association, as authorized by the Board of Directors.
2. Annual or special dues assessments or allocations to support the Fund, as may be authorized by the bylaws of the Association.
3. Revenues derived from other sources or activities in a manner and at such times as deemed necessary and appropriate by the Board of Directors.

The Fund will have a balance at the end of each fiscal year between \$1,000,000 and \$1,500,000.

Monies in the Fund may be invested in accordance with the VR Investment Policy.

8.4. Administration. The fund is administered by the Board of Directors through the Capital Budget outlay approved as part of the Annual Budget.

Special meetings of the Board of Directors may be called if the need arises for an expenditure where monies are not available as part of the Capital Budget.

9. OPERATING RESERVE FUND

9.1. The Operating Reserve. The Fund established pursuant to Article III, Section 1 of the bylaws of the Association shall be administered in accordance with these policies and procedures.

9.2. Purposes, Goals and Funding Criteria. VR shall maintain an Operational Reserve Fund to continue providing services to members during periods of time when revenue may be insufficient to meet those needs.

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

1. Direct appropriation from the budget or reserves of the Association, as authorized by the Board of Directors.
2. Annual or special dues assessments or allocations to support the Fund, as may be authorized by the bylaws of the Association.
3. Revenues derived from other sources or activities in a manner and at such times as deemed necessary and appropriate by the Board of Directors.

The Fund has no minimum or maximum balance thresholds.

Monies in the Fund may be invested in accordance with the VR Investment Policy.

9.4. Administration. The fund is administered by the Board of Directors. Monies may be appropriated from the Operating Reserve by motion of the Board of Directors.

10. GENERAL FUND

10.1. The General Fund. The Fund established pursuant to Article III, Section 1 of the bylaws of the Association shall be administered in accordance with these policies and procedures.

10.2. Purposes, Goals and Funding Criteria. VR shall maintain a General Fund for the purposes of supporting the day to day business needs of the Association. The purpose is to provide cash management and investment earnings throughout the year.

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

1. Annual or special dues assessments or allocations to support the Fund, as may be authorized by the bylaws of the Association.
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.

The Fund balance will be adjusted at the end of each fiscal year to the lesser of \$1,000,000 or 30% of the next year's budgeted operating expense. No more than \$1,000,000 of the account funds will be in Certificate of Deposits with maturities of more than one year in order to maintain sufficient cash flow for VR. Remaining funds may be invested in short-term Certificates of Deposits or Money Markets with maturities of less than one year in order to maintain sufficient cash flow for VR.

10.4. Administration. The fund is administered by the Board of Directors through the approval of an Operating Budget.

11. PROFESSIONAL STANDARDS POLICIES

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



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APPENDIX A. INVESTMENT POLICIES AND PARAMETERS

A.1. Scope of the Investment Policy. This statement of investment policy reflects the investment policy, objectives, and constraints of the Virginia Association of REALTORS®, and is set forth in order to:

1. Define and assign the responsibilities of all involved parties.
2. Establish a clear understanding for involved parties of the investment goals and objectives for Fund assets.
3. Offer guidance and limitations to the primary Investment Manager regarding the investment of Fund assets.
4. Establish a basis for evaluating investment results.
5. Comply with fiduciary, prudence and due diligence requirements that experienced investment professionals would expect.
6. Establish the relevant investment horizon for which Fund assets will be managed.

A.2. Delegation of Responsibilities. The Sponsor of VR's investment portfolio is the Board of Directors, which is the named fiduciary and is responsible for directing and monitoring the investment management of assets. As such, the Sponsor is authorized to delegate certain responsibilities to professional experts in various fields. These include, but are not limited to:

A.2. A. Investment Manager. The Investment Manager has discretion to purchase, sell, or hold the specific securities that will be used to meet the Fund's investment objectives.

A.2. B. Custodian. The Custodian will physically maintain possession of securities owned by the Fund, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The Custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets.

A.2. C. Investment Management Committee. The Investment Management Committee is specifically authorized by the Board of Directors to perform all business acts necessary to manage the association's investment funds within policies approved by the Board of Directors. The Committee will review monthly portfolio statements and make periodic reports to the Board of Directors. The Committee will meet quarterly with the Investment Manager to review fund performance and make recommendations to the Board of Directors regarding any changes to policies adapted herein. There shall be six Investment Management Committee members who shall be appointed by the VR president. In addition, the VR treasurer and REALTORS® Political Action Committee treasurer shall serve as ex officio, voting members. The Association's chief executive officer and senior staff member for finance shall serve as ex-officio, non-voting members. The term of office for Investment Management Committee members shall be three years, and the terms shall be staggered. No trustee may serve more than two consecutive terms. The term of office shall be the association's elective year. The Investment Management Committee chairman shall be appointed annually by the president. Only members who have served at least one year on the Investment Management Committee shall be eligible for appointment as chairman.

A.2. D. Selection of Brokerage Firm/Financial Institution. The Board of Directors specifically grants the Investment Management Committee authority to select the brokerage firm and/or financial institution, operating within VR's Board of Directors-approved investment policies.

A.3. Investment Objectives. General objectives include:

A.3. A. Preservation of Capital. The investment manager should make reasonable efforts to preserve capital, understanding that losses may occur in individual securities.

A.3. B. Risk Aversion. Understanding that risk is present in all types of securities, the Sponsor recognizes that some risk is necessary to produce long term investment results that are sufficient to meet the Fund's objectives. However, the Investment Manager Consultant is expected to make reasonable efforts to control risk, and will be evaluated regularly to ensure that the risk assumed is commensurate with the given investment style and objectives.

A.3. C. Primary Objective. Preservation of Capital – To achieve returns that subject the portfolio to minimal price fluctuations, primarily through a balanced portfolio of equities, fixed income investments and cash.

A.3. D. Allowable Assets.

Cash Equivalents

- Treasury Bills
- Money Market Funds

Equities

- Individual stock holdings consistent with the holdings of the Davenport Pension
- Fund Portfolio
- Fixed Income Securities
 - U. S. Government and Agency Securities
 - Corporate Bonds

A.3. E. Prohibited Assets. Prohibited Assets include, but are not limited to the following:

- Commodities and Futures Contracts
- Options

A.3. F. Prohibited Transactions. Prohibited transactions include, but are not limited to the following:

- Short Selling
- Margin Transactions

A.3. G. Asset Allocation Guidelines. Investment management of the assets of the aggregate Fund shall be in accordance with the following asset allocation guidelines:

Aggregate Asset Allocation (at market value)

Asset Class	Minimum	Maximum
Equities	0%	75%
Fixed Income	0%	40%
Cash & Equivalents	0%	100%

***Policy Changes: 2/98 – Davenport Asset Management selected as VR Investment Manager; replaced Smith Barney.*

A.4. Investment Manager Performance Review and Evaluation. Performance reports generated by the investment management consultant shall be compiled at least quarterly and communicated to the Investment Management Committee for review. The investment performance of total portfolios, as well as asset class components, will be measured against commonly accepted performance benchmarks. Consideration shall be given to the extent to which the investment results are consistent with the overall investment objectives, goals and guidelines as set forth in this statement. The Investment Management

Committee intends to evaluate the portfolio(s) over at least a three-year period, but reserves the right to terminate investment managers for any reason, at any time, including the following:

1. Investment performance that is significantly less than anticipated given the discipline employed and the risk parameters established, or unacceptable justification of poor results.
2. Significant qualitative changes to the investment management organization including: personnel, strategy, research capabilities, organizational and business matters, and other qualitative factors that may impact their ability to achieve the desired investment results.



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APPENDIX B. GOVERNING BELIEFS AND PUBLIC POLICY STATEMENTS OF THE VIRGINIA ASSOCIATION OF REALTORS®

B.1. Governing Beliefs.

B.1. A. Real Estate Regulation. We strongly support the Virginia real estate license law and the Virginia Real Estate Board (VREB) in assuring a strong regulatory framework for real estate licensees in the State of Virginia. The Association will maintain a strong and viable line of communication with VREB. Any proposed changes in the license law and/or regulations shall be discussed with VREB staff and appointed Board members to determine opinions as to their workability and feasibility. The VR Board of Directors shall be advised in a timely manner of the substance of such meetings.

B.1. B. Continuing Education. We support the concept of mandatory training and education throughout the professional careers of all real estate licensees, to assure competent and skilled real estate practitioners and a high degree of consumer protection.

B.1. C. Equal Opportunity. We subscribe to the policy of fair housing; we believe that equal opportunity in housing can best be achieved through continued leadership, observance of law, education, and mutual cooperation by the real estate industry and the public in a free and open housing market. Both Federal and Virginia Fair Housing Law provide for the right of all people to freely choose where they will live without regard to race, color, religion, sex, handicap, familial status or national origin. Moving forward, we will support legislation prohibiting discrimination in housing transactions on the basis of sexual orientation or gender identity. *(Updated 1/1/2017)*

B.1. D. Private Property Ownership. We believe the political stability and economic prosperity of our nation are dependent upon the right of the individual to own and freely transfer real property and to exercise and enjoy the benefits of real property ownership. The value of private property should not be diminished or jeopardized by governmental action at any level without just compensation to the owner. The interpretation of existing federal laws and regulations should not be expanded in such a way as to limit private property ownership rights.

B.1. E. Home Ownership. We believe that home ownership serves as a cornerstone of our democratic system of government and deserves a preferred place in our system of values. Home ownership contributes to community responsibility, civic stability, family security and well-being. We know that home ownership is the American Dream and a primary goal of most American families, and we believe that every individual should have the opportunity to live in safe and decent housing. We encourage continued support of the housing needs of the low and moderate-income citizens who comprise the workforce in all communities, as well as the needs of the elderly and the handicapped.

B.1. F. Taxation. Any tax system enacted by the General Assembly or Congress should encourage savings, investment, and home ownership. We support the continued deductibility of mortgage interest. We oppose any tax provisions that place an unfair burden on property owners, purchasers or sellers. We oppose any effort at the state or federal level to tax professional services.

B.1. G. Land Use. We believe in the fundamental right of all private property owners working through local government to determine the highest and best use of their land. We maintain that planning for the classification and use of land must adequately consider the needs of housing

affordability, agriculture, transportation infrastructure, commercial and industrial growth as well as quality of life and a healthy local economy.

B.1. H. Political Affairs. We believe that active involvement in political activity is a privilege and responsibility of every citizen. We encourage qualified citizens to make themselves available for public service. We encourage continual participation in local, state, and national political affairs and will actively support those candidates who pledge and by their actions preserve and strengthen America's free enterprise system, which is based upon the underlying principle of private property ownership. We believe any attempt to reduce the participation of voluntary political action committees in elections undermines a basic political freedom and civic right.

B.1. I. Legislative Advocacy. It is a top priority of the Virginia Association of REALTORS® to monitor closely the legislative and regulatory process at all levels of government, to advocate strongly for legislation/regulation that is in the interest of our members, and to oppose vigorously legislation/regulation that serves to diminish property ownership, value or affordability or the ability of our members to make a living unfettered by onerous and unnecessary statutory, regulatory or financial constraints. It is a central responsibility of this association to keep its members informed about the issue positions VR adopts in this regard and the status of any pending legislation/regulation that impacts the real estate profession.

B.1. J. Anti-Trust Law. The Virginia 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.

B.1. K. Community Service. In order to promote meaningful public service programs to upgrade the quality of life in our communities, we support REALTOR® community service programs to involve local REALTOR® Associations and our state REALTOR® Association. In particular, it is our responsibility and in our interest to work to end homelessness and expand the purchasing power of all Americans in the area of housing opportunity.

B.1. L. Environment. Efforts to control pollution and to protect natural resources must be balanced with efforts to increase energy efficiency and independence, economic vitality and productivity. We are concerned with the preservation of our wetlands, and we realize the responsibility we have to educate and to work with local, state and federal government officials to develop responsible growth planning that is equitable and considers the divergent needs of transportation, housing, agriculture, commerce, industry and other concerns.

B.2. Public Policy Position Statements: ENVIRONMENT

B.2. A. Chesapeake Bay Preservation Act. VR recognizes the Chesapeake Bay and its tributaries as treasures of Nature, and appreciates all of its many contributions to life and the economy in Virginia. The Bay is "good for business", and a clean and productive Bay is a major "draw" for Housing, both permanent and seasonal. VR will work to maintain the balance between a healthy Chesapeake Bay and a strong, viable economy in Virginia. VR will continue to support reasonable and fair regulations that promote a balance between economic growth, the protection of private property rights and the preservation of the environment while opposing any initiatives that exceed evidence-based criteria of cost effectiveness.

B.2. B. Preservation of Open Space and the Environment. VR supports the preservation of lands as long as such preservation respects private property rights and is not achieved through a local government "taking." VR believes lands designated for open space or other preservation should always be purchased from a willing seller who must be compensated at fair market value of the property. VR believes that those who benefit from open space – the general public—should

fund its purchase. VR opposes the use of real estate fees as a dedicated funding source for open space enjoyed by the general public.

B.2. C. Storm Water Management. VR views storm water control programs as essential to sound environmental stewardship, clean water, and healthy rivers and streams. VR believes that residential and commercial property owners must not be unfairly targeted to pay costs associated with storm water management that are not directly related to the properties in question. Further, VR opposes property-based assessments made for creation or improvement of infrastructure that does not provide a direct benefit to the property owner.

B.2. D. Water Rights. VR believes that a property owner's use of groundwater on real property is just one "stick" in the "bundle" of their private property rights. Virginia has always followed the common law called the "American Rule," which means that a property owner has unlimited use of the groundwater beneath their real property so long as the use is "reasonable" and the water is not exported off that real property.

VR will oppose any proposal to change the law. VR also will oppose any proposal to link water supply planning and growth management without any consideration of increasing capacity.

B.3. Public Policy Position Statements: GOVERNMENT

B.3. A Dillon Rule. The Dillon Rule is one of the foundations of the good business climate in the Commonwealth. VR opposes any substantive departure from the Dillon Rule.

B.3. B. Economic Development. Job creation through economic development is critical to the financial stability of Virginia's economy. VR supports strong economic development programs to include components for workforce training and workforce housing.

B.3. C. Enterprise Zones. VR supports the Enterprise Zone Program.

B.3. D. Historic Preservation Ordinances. VR supports historic preservation as an essential part of redevelopment and revitalization of older communities. VR opposes adoption of any local historic ordinance that creates unreasonable burdens and costs for property owners.

B.3. E. Local Regulations which Exceed State Mandates. VR opposes any legislation that would grant local governments authority to impose stricter regulations or standards that those established by state law.

B.3. F. Redevelopment and Revitalization. VR believes that the redevelopment and revitalization of older residential and commercial development is critical to the overall vitality of the Commonwealth. State and local government officials should encourage redevelopment and revitalization by the use of targeted financial incentives and by elimination of obstacles to achieving this end.

B.3. G. Regional Cooperation. VR encourages local governments to work together in regional efforts to save costs and eliminate duplication of services. The General Assembly should continue to develop and implement incentives for local governments to work together in regional cooperative efforts to provide services to citizens at a lower cost, and to enhance the region's opportunities for future economic development.

B.3. H. Special Exception Permits / Zoning Requirements. VR opposes the limitation of a Special Exception permit to the current landowner and opposes any provision in such permit that would require its expiration. VR believes that Special Exceptions serve a dual purpose: not only to permit compatible uses by owners that do not impair surrounding properties but also to provide protection to those who rely on zoning to protect their enjoyment of their properties.

B.4. Public Policy Position Statements: LAND USE & OWNERSHIP RIGHTS

B.4. A. Existing Properties – Rental Inspection Authority, Building Code Enforcement, Retrofitting. The Uniform Statewide Building Code (USBC), in the “Property Maintenance” provisions applicable to existing commercial and residential properties, allows a local building official to address property maintenance issues that affect public health, welfare and safety. VR opposes any expansion of the current enabling authorities for local governments to inspect rental properties, without the permission of the property owner.

VR opposes efforts on the part of local governments to use the USBC, or other programs such as Universal Design, LEED/Green Building, or Accessibility/ “Visitability” to require property owners to retrofit properties in prior compliance with law and regulation.

B.4. B. Growth Issues. Increased population growth and demographic shifts from urban centers have prompted major discussions about poor development patterns and whether local governments have the necessary authority to effectively regulate land use and fund their public infrastructure needs. VR opposes the expansion of local government authority by the General Assembly in land use powers. VR has consistently supported additional broad-based revenue sources for public infrastructure funding. To that end, VR supports:

- Efforts to encourage regional cooperation; and
- Dedicated, broad-based funding methods.

VR strongly opposes additional “growth control” measures that only exacerbate current problems with sprawl and the lack of affordable housing in many regions of the Commonwealth. Examples include:

- Adequate Public Facilities (APF) ordinances, which would require that supporting infrastructure be in place prior to, or concurrent with, governmental approval of a particular project;
- Cash proffers and impact fees
- Mandatory Transfer of Development Rights (TDR); and
- Exclusionary zoning practices such as drastic increases in minimum lots sizes or other decisions that discourage high-density development.

B.4. C. Housing Opportunity. VR believes that there should be an adequate supply of “workforce” housing in localities throughout Virginia. A broad range of housing stock is important for good economic development and a good quality of life for all Virginians.

B.4. D. Private Property Rights. VR strongly supports a legal framework that ensures the protection of private property rights guaranteed by the United States Constitution and the Constitution of Virginia.

B.4. E. Property Owners Association Act. The Property Owner’s Association Act (POA) and to a lesser extent, the Condominium Association Act, requires ongoing legislative and regulatory adjustments to address issues impacting real estate transactions. VR will continue to take a leadership role as they develop. VR opposes any practice of POAs or Condo Associations that unfairly impairs sellers or their agents in the free marketability of their property interests or creates unnecessary costs and delay.

B.4. F. Virginia Residential Landlord Tenant Act. VR supports the Virginia Residential Landlord Tenant Act (VRLTA).

B.5. Public Policy Position Statements: PROFESSIONALISM & LICENSURE

B.5. A. Licensure of Trades, Occupations and Professions. VR will support the licensure or more stringent regulation of trades, occupations or professions when the same is shown to be

necessary to protect the public health, safety or welfare; and provided such regulation is affordable and not unduly burdensome on trade and commerce.

B.5. B. Sales of Real Estate. VR opposes exemptions from real estate licensure for persons who sell real estate on behalf of others for compensation, regardless of title, credentialing or circumstance.

B.5. C. Real Estate Settlement Practices. VR opposes any proposal that would substantially amend CRESPEA, including any proposal to require real estate licensees to advise parties to a real estate transaction that they need to engage legal counsel.

B.6. Public Policy Position Statements: TAXATION & TRANSPORTATION

B.6. A. Roll Back Taxes / Land Use Program. VR generally supports current law for counties utilizing the “land use” assessment program. We oppose any efforts by local governments to impose roll back taxes upon a change in the local comprehensive plan. VR supports a repeal of the current enabling authority of a local government to impose roll back assessments when there has been a zoning change, which discourages responsible zoning by landowners when they do not have a specific user for the property being rezoned. VR supports local governments having the authority to impose roll back assessments upon a change to a more intensive use.

B.7. Public Policy Position Statements: TAXATION IN VIRGINIA

B.7. A. Fees and General Tax Policy. VR supports broad-based taxation, as opposed to taxation on only a portion of the population. VR believes that absent such a tax system, pressures to increase local Real Estate taxes and other property fees will continue to fall on local governments, to the harm of property owners.

Although REALTORS® do not desire higher taxes; VR would consider increases in actual costs in the provision of necessary governmental services or expansion of mandated scope of services to be valid reasons to consider an increase in tax rates, or to broaden bases of tax collection.

VR opposes efforts at the state and local level to attach VRiously-named “add-on fees” to existing assessments, costs and taxes, for purposes unrelated to the collection of the fee. For example, the addition of an “add-on fee” for filing a warrant in debt to benefit emergency service providers, health care providers, educational infrastructure, etc., while for purposes many support, is nevertheless unrelated to its object.

B.7. B. Business, Professional and Occupational License (BPOL) Tax. VR remains concerned over inequities in the application of the BPOL tax, limits on the real estate tax and taxes on services. VR will continue to work towards a more equitable method of application of the BPOL tax and, at the appropriate time, will push for its repeal. However, VR opposes efforts to repeal the BPOL tax at the cost of imposing the Retail Sales and Use Tax on services, such as real estate commissions, or on sales of real property.

B.7. C. Real Estate Taxes. VR opposes efforts to limit or “cap” real estate taxes, unless those caps are but one aspect of a substantial reformation of the state’s tax code.

VR believes that all classifications of real property should be taxed equally. VR supports legislation to provide voluntary authority to local governments to exempt a percentage of assessed value of residential housing for targeted populations from taxation, provided any such exemption is designed to enhance housing affordability.

B.7. D. Recordation and Grantor And Transfer Taxes. VR recognizes the need for Virginia’s localities to raise revenue to address critical infrastructure needs. VR opposes additional statewide increases in recordation, grantor and other transfer taxes for the following reasons:

- Increasing recordation and grantor taxes places an additional burden on homebuyers and sellers at the time of settlement and places an unreasonable burden on real property owners;
- Recordation, grantors and other transfer taxes are an unstable and unpredictable source of revenue. Because home sales are cyclical, when a downturn in the housing market occurs, revenues from recordation and transfer taxes fall, creating added pressures for a tax increase;
- Any transfer tax also is a regressive tax. In general, people tend to spend a smaller share of their income on housing as their income increases; and
- Recordation, grantors and transfer taxes are more severe than an increase in a broad-based tax designed to generate the same amount of total revenue. The base transfer tax is very narrow relative to a more general tax, such as a local option sales tax; so fewer people pay the tax in a given year. Distributing the burden among a wider group of taxpayers reduces the tax burden per taxpayer.

However, VR acknowledges that local solutions to pressing concerns, such as transportation, may sometimes require that these taxes be considered and included as part of such locally implemented plan.

B.7. E. Historic Tax Credits. VR supports the creation of an appropriate use of tax credits, including the Historic Rehabilitation Tax Credit Program, as incentives to private investment in real estate, to broaden available housing stock, to preserve historic infrastructure, and to create jobs and increase wages and salaries.

B.8. Public Policy Position Statements: TRANSPORTATION PROJECTS

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

VR believes that tolls will be a component of almost every funding package for transportation projects created in the foreseeable future. VR supports such inclusion. Accordingly, VR supports:

- A dedicated and reliable long-term funding source for transportation;
- A constitutional amendment that would dedicate funds to transportation construction and maintenance;
- The use of bonding authority to underwrite the costs associated with major transportation projects;
- Creative approaches to transportation construction and maintenance through increased use of the Public-Private Transportation Authority (PPTA);
- Creative approaches to congestion management efforts through proven practices;
- Road design improvements, as well as accommodations for car/vanpools; and
- Alternative modalities of transportation, to include light rail, higher speed and high speed rail, and feeder bus systems.



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APPENDIX C: VR ACCOUNTING AND FINANCIAL POLICIES AND PROCEDURES

C.1. 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 the VR and its subsidiaries. These written policies are designed to ensure financial accountability and transparency, eliminate misunderstandings and protect the assets and viability of the VR. 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 amendments to policy will be brought before the Board of Directors for recommendation and approval.

All Manuals are the property of the VR. 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.

C.2. Segregation of Duties. Effective internal controls mandate, when possible, an adequate segregation of duties to reduce the probability of dishonesty.

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

C.3. Comprehensive Policy. All accounting and financial policies contained within this manual are all inclusive and supersede any and all 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 Leadership Team may refer a policy to another committee for review if deemed appropriate, however the Leadership Team 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 policy additions or changes to a policy will be required to go through the established review and approval process.

C.4. General Ledger Activity and Financial Statement Presentation.

C.4. A. Measurement Focus and Basis of Accounting. It is the policy of the VR 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.

C.4. B. Chart of Accounts. The chart of accounts is the backbone of any accounting system. 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 Accounting and Finance Department to prepare departmental and program financial statements:

<u>Account Classification</u>	<u>Financial Statement</u>
1. Assets	Statement of Financial Position
2. Liabilities	Statement of Financial Position
3. Net Assets/Members Equity	Statement of Financial Position
4. Revenues	Statement of Activities
5. Expenses	Statement of Activities
6. Functions, Programs or Departments	Statement of Activities

It is the policy of the VR to maintain a chart of accounts. 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, and the Director of Accounting are the only employees with authority to add or delete accounts.

C.4. C. Journal Transactions. It is the policy of the VR to record and post monthly all general journal ledger entries to the general ledger. All entries that do not originate from journals should be supported by adequate documentation. Nonrecurring adjusting journal entries must be prepared to properly reflect account balances. Nonrecurring adjusting journal entries include, but are not limited to, the following items:

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

C.4. D. Leases. It is the policy of the VR 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 Board of Directors.

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

C.4. E. Amortization. Amortization is a method of recognizing expenditures over a period of time rather than in one accounting period. It is the policy of the VR 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.

C.4. F. Prepaid Expenses. It is the policy of the VR to treat payments of expenses that have a time-sensitive future benefit as prepaid expenses on the financial records and to expense them in the proper period.

Examples of prepaid expenses 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.

C.4. G. Accrued Expenses. At the end of the fiscal year, expenses that have been incurred, but not yet paid should be recognized on the financial statements. The relative materiality of the expenses that have been incurred must be addressed, because distribution of the financial statements should not be delayed in the interest of accruing immaterial expenses. The dollar limit of these expenses will be determined by the senior financial staff member, as designated by the CEO.

It is the policy of the VR to accrue unpaid expenses on its financial records.

C.4. H. Annual Leave Accrual. At the end of each fiscal year, the senior financial staff member, as designated by the CEO, 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 be in compliance with the leave policies established in the VR Human Resources Policies and Procedures Manual.

In the last month of the year, it is the policy of the VR 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.

C.4. I. 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 the VR to include the current portion of long-term debt (the amount due to be paid within 12 months) 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.

C.4. J. Depreciation/Capitalization Cutoff Point. It is the policy of the VR to depreciate fixed assets over their estimated useful lives.

It is the policy of the VR to capitalize assets in the period purchased if these assets cost in excess of \$2,500.

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 \$2,500.00 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 to be expensed.

The cost of a fixed asset should 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. Significant 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 an analysis of the time the repair or improvement is expected to improve the property. The senior financial staff member, as designated by the CEO, will be responsible for determining the life of an asset and will refer to the IRS guidelines for basis of that determination.

Fully depreciated fixed assets will remain on the VR Statement of Financial Position and will be included on the tangible property tax return until disposed of or otherwise deemed worthless.

C.4. K. Financial Statement Presentation and Distribution. It is the policy of the VR 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 VR operations.

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

C.4. L. Unrestricted Net Assets/Board-Designated Funds. Unrestricted net assets represent the cumulative results of operations of the VR.

Board-designated funds are funds designated by the Board of Directors for a specific purpose. It is the policy of the VR 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.

C.5. Cash and Investment Management.

C.5. A. Check Signing Authority. Proper segregation of duties is a must to ensure adequate internal controls for check preparation. As such, the following rules should govern the selection of individuals to sign check:

1. Individuals who prepare checks should never be check signers.
2. Individuals who reconcile bank statements should never be check signers.

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

1. CEO
2. Senior financial staff member, as designated by the CEO,
3. General Counsel
4. A senior-level employee as designated by the CEO

Checks issued for payment in excess of \$10,000 will require the signature of two check signers.

All banking resolutions require approval of the Board of Directors.

C.5. B. Bank Reconciliations. In the interest of proper internal controls:

1. The bank statement will be addressed to, opened by, and reviewed by an executive-level staff member 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.
3. Voided checks will be documented and accounted for properly.

It is the policy of the VR to address bank statements to the CEO for initial review of all clearings during the month. Within 24 hours, the CEO will forward the bank statement to the person responsible for the reconciliation.

The senior financial staff member, as designated by the CEO, is responsible for review and approval of the bank reconciliation.

C.5. C. Wire Transfers/Electronic Transactions. The VR 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, as designated by the CEO, have security access to approve wire transfers/ACH but two parties are required to initiate and approve a wire transfer/ACH.

It is the policy of the VR to allow the senior financial staff member, as designated by the CEO, to make wire transfers/ACH which have been established with the banking institutions, initiated by the Director of Accounting.

Wire transfers initiated by the senior financial staff member, as designated by the CEO, are verified and approved by the CEO.

C.5. D. Investment Policy Statement. The VR has an Investment Management Committee charged with oversight, review and management of the VR, the VR Educational Foundation, and RPAC of Virginia investment reserves.

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

As a service to the VR Educational Foundation and the RPAC of Virginia, the VR Investment Management Committee is charged with the oversight and management of the Foundation's investment reserves in accordance with its investment policy statement.

The VR investment policy statement can be found in Appendix A.

C.6. 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 the VR 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 10 working days of receipt of the invoice by accounting.
2. Member and staff reimbursement requests: within 10 working days of receipt of the invoice by accounting.

In an effort 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 bi-weekly;
2. Checks will be assembled and delivered to the appropriate check signer;
3. Supporting paperwork shall be returned to accounting for filing; and
4. All returned mail will be received and opened by an individual not in the accounting department.

C.6. A. Check Disbursements. Because of the need for strong internal control and segregation of duties, these rules concerning check disbursements should always be followed:

1. Unused checks are pre-numbered, stored under lock and key, and requested formally.
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. The use of facsimile signatures is prohibited.
4. The signing of blank checks is prohibited.

It is the policy of the VR to keep unused check supplies safeguarded under lock and key. All check disbursements will require approved invoices, expense vouchers, and a have completed Check Request Form attached signed by a chief-level employee. Signed checks that have not been mailed or distributed will be locked at the end of each day.

C.6. B. 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, and etc. Regardless of the situation, every voided check will be accounted for on a voided checks log. The voided checks log will be available for the annual audit.

It is the policy of the VR 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.

C.6. C. Write-Off of Old or Stale-Dated Checks. It is the policy of the VR to make every attempt possible to contact the payees of outstanding checks that have failed to clear the bank. Checks that have been outstanding in excess of twelve months will be handled in accordance with applicable state unclaimed property laws. A log of checks that have been turned over to the state will be completed and made available for the annual audit.

C.7. Accounts Receivable.

C.7. A. Control Over Checks and Cash. All mail, with the exception of confidential mail, will be opened by the Office Manager, or a person designated by the Office Manager that 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 the VR 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 Accounts Receivable Specialist and the Daily Checks Received Register will be given to the Director of Accounting. The Director of Accounting 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.

C.7. B. Collections. It is the policy of the organization to forward an invoice no later than after the service is performed.

Thirty (30) days after the date of the original invoice, a “past due” invoice will be mailed 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.

C.7. C. Accounts Receivable Write-Off Procedures and Authority. It is the policy of the VR 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 a completed Accounts Receivable Write-Off Request Form.

If a receivable is deemed uncollectible, the following approvals are required before write-off implementation:

<u>Amount</u>	<u>Individual</u>
\$100 or less	Director of Accounting and the director of the department responsible for the revenue.
More than \$100	Senior financial staff member, as designated by the CEO, and the Chief of the department responsible for the revenue.

Once a write-off has been implemented, a credit hold is placed on the member’s account and appropriate individuals in the appropriate department are advised to ensure that further credit is not allowed and to update the master list of bad accounts.

Members listed as poor credit risks will be extended future credit only if the bad debt is paid and the customer prepays for the current service.

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.

C.8. Taxes / IRS Forms. The VR’s independent auditor prepares all applicable tax returns, which are reviewed by the senior financial staff member, as designated by the CEO, and signed by the CEO.

C.8. A. Public Examination of Records. Certain records of not-for-profit organizations are subject to public examination. It is the policy of the VR to comply with the public disclosure requirements of section 6104(d) of the Internal Revenue Code (Code) as amended by the Tax and Trade Relief Act of 1998.

Disclosure requirements include the application for tax exemption and the most recent three years Annual Form 990. The VR will honor all in person and written requests in compliance with the Code.

C.8. B. IRS Form 1099. IRS regulations require organizations to complete Form 1099 for individuals who are not employees and who receive \$600 or more from the VR.

It is the policy of the VR to complete IRS Form 1099 for all individuals and vendors providing services (other than corporations) and receiving \$600 or more from the VR.

A record of vendor Federal Identification Numbers and independent contractor Social Security Numbers should be maintained for audit purposes.

C.8. C. IRS Forms 990. It is the policy of the VR to allow public access to IRS Form 990 in accordance with section 6104(d) of the Internal Revenue Code.

The VR will provide its three most recent Annual 990 Forms to any member of the association for requests made in person or in writing, whether by mail, electronic mail, fax or delivery service. The VR will provide copies of the requested documents, free of charge, within 30 days from the date it receives the request.

A Log of Form 990 Inspections and Distributions will be maintained. The original Form 990 will remain at the VR Administrative office without exception.

C.8. D. IRS Forms 990T/Unrelated Business Income Tax (UBIT). It is the policy of the VR to pay UBIT on the excess of revenues over expense on taxable activities.

The VR will file IRS Form 990-T and its related Virginia Corporate Return Form 500 to report unrelated activities. IRS Form 990-T and Virginia Corporate Return Form 500 are considered confidential and are, therefore, not available for public inspection.

C.8. E. Sales Tax Collection. It is the policy of the VR to collect sales tax, or accrue use tax as applicable, and pay the retailing business and occupation tax and related city tax on all sales of tangible personal property.

C.9. Budgeting and Year-End Projections.

C.9. A. Budget. It is the policy of the VR to have an operating budget and a capital budget approved prior to the start of the fiscal year.

C.9. B. Calendar.

In **June**, the Finance and Accounting Department:

- Will prepare and present a current year-end projection for the purpose of setting dues amount
- Will seek input and guidance for the upcoming budget year. Discuss assumptions, allocations, etc.
- Will prepare and present a preliminary subsequent year-end projection for the purpose of making a decision on any future dues increases.

In **September**, the Finance and Accounting Department:

- Will prepare with input from the business units the operational program budgets, including course pricing, schedules and related policies.
- Will prepare and present a current year-end projection for the purpose of reviewing, monitoring and contrasting budget to actual variances.

In **October**, the Finance and Accounting Department:

- Will prepare and present the annual budget, including capital outlay requests and budget

assumptions to the Budget Committee. The Budget Committee is responsible for conducting a line-by-line review of the annual budget. Once approved, the Budget Committee will recommend the annual budget to the Leadership Team and Board of Directors for final approval. Will prepare and present an updated current year-end projection for the purpose of reviewing, monitoring and contrasting budget to actual variances.

C.10. Sarbanes-Oxley Non-Profit Best Practices. The American Competitiveness and Corporate Accountability Act of 2002, commonly known as the Sarbanes-Oxley Act, was signed into law on July 30, 2002. While only two provisions of SOX apply to not-for-profit organizations, Section 802 – Document Retention and Destruction; Section 1107 – Whistle-blower Protection, the VR chooses to voluntarily adopt several of the recommended provisions as outline in this chapter.

C.10. A. Whistle-Blower Protection. Nonprofits must develop, adopt and disclose a formal process to deal with complaints and prevent retaliation. The VR Whistle-Blower Protection Policy can be found in the VR Employee Manual.

C.10. B. Audited Financial Statements. It is the policy of the VR to distribute the audited financial statements, upon approval by the Treasurer, to the Leadership Team and the Board of Directors and to organizations entitled to receive a copy. The audited financial statements should be published no later than May 31st of each year.

C.10. C. The Engagement Letter. It is the policy of the VR to obtain and review the draft of the independent auditor's engagement letter to ensure that it covers matters important to the management. The audit engagement letter should be signed by the CEO.

C.10. D. The Management Letter. It is the policy of the VR to review and discuss the CPA management letter with representatives of the auditing firm and will authorize appropriate action required to correct deficiencies. Distribution of the management letter to individuals or firms other than the Board of Directors (upon request) or those entitled to a copy by contractual obligation is left to the discretion of the chief executive officer.

C.10. E. Loans Prohibited. It is the policy of the VR to prohibit loans and advances to employees and members under all circumstances.

C.10. F. Records Retention/Destruction Guidelines. All business records should be kept no longer than the period necessary for the proper conduct of Company business. This policy shall cover all business records of the VR, including written, printed and recorded matter and electronic forms of records, including e-mail messages in personal folders. Employees should review their electronic files regularly and delete them where appropriate to ensure compliance with this policy. These guidelines should be reviewed annually to ensure consistency with legal requirements of other regulatory bodies.

If a lawsuit, governmental investigation or subpoena is filed, served or appears imminent, this Policy may be suspended requiring that documents relating to the lawsuit or potential legal issues(s) or audits be retained. Once an employee receives notification that the Policy has been suspended, you must retain all of the documents you are instructed to keep rather than destroying them pursuant to the Policy.

In an effort to facilitate efficient and effective operations it is the policy of the VR to retain records as required by law and to destroy them when appropriate. As a condition of employment, all employees are required to follow the records retention and destruction guidelines found on in Appendix B.

C.11. Other Policies.

C.11. A. Contract Signing Authority. It is the policy of the VR to grant authority to sign contracts to the CEO, as long as 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 the VR budget, Leadership Team approval is required before authority to sign the contract is granted. The CEO may, at his discretion, grant contract-signing authority to designated staff members if the contracted amount is less than \$1000 and is included in the operating budget. Any such designation of contract-signing authority must be made by the CEO in writing.

C.11. B. Bid Requirement. Bids should be required for major purchases to ensure that the VR is receiving the best value for goods and services. This policy applies to all material purchases when the VR has discretion over the vendor chosen.

It is the policy of the VR 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.

C.11. C. Bonding of Employees. It is the policy of the VR to bond all employees involved in the financial functions of the VR.

C.11. D. Corporate Credit Card. It is the policy of the VR to issue a physical corporate credit card to the following positions:

- CEO
- Leadership Team

At the discretion of the CEO, credit cards may be issued to appropriate staff.

All expenses incurred via the corporate credit card must be in compliance with 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.

C.11. E. Insurance. It is the policy of the VR to annually review insurance policies to ensure that insurance coverage is complete and adequate and that coverage limits adequately meet the needs of the VR, 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

These policies should be reviewed with the Leadership Team at least annually.

C.11. F. Lobbying Expenditures. It is the policy of the VR 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.

C.11. G. Logo. It is the policy of the VR to include the VR logo on all external communications as appropriate.

C.11. H. Member Access to Records. It is VR's policy to adhere to the requirements of the Virginia Non Stock Act.

C.12. Payroll Processing. Two people will be involved in the payroll process, even though the VR uses a third party payroll service. Staff has limited access to ADP, the VR's third-party payroll provider. ADP software is limited to the individual computers of the senior financial staff member, as designated by the CEO, and the Director of Human Resources. The senior financial staff member, as designated by the CEO, is responsible for assigning user security.

It is the policy of the VR that the senior financial staff member, as designated by the CEO and the Director of Human Resources be involved in payroll processing. One person will compute the payroll and the other will verify it. Both individuals will sign the payroll detail attesting accuracy.



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APPENDIX D: PROCEDURES FOR VOTING BY THE DELEGATE BODY REVISED FEB. 11, 2011

D.1. Delegate Voting Process.

All Delegates and Alternates will check-in at a Delegate/Alternate check-in table. The check-in table will have two Delegate/Alternate rosters, arranged by Local Association.

Each Delegate/Alternate will receive a package indicating whether they will vote as Delegate A, B or C.

VR staff will notify the Presiding Officer if a quorum is present.

The voting format will be explained by the VR staff member designated by the VR CEO.

Presiding Officer will first ask for voice vote.

- a. If result of voice vote is inclusive, the Presiding Officer will ask for Delegates voting in the negative to indicate by show of hands. A quick visual tally of weighted votes will be made by Presiding Officer and the VR staff member designated by the VR CEO.
- b. If inconclusive, the Presiding Officer will conduct roll call vote to determine outcome.
 - i. Presiding Officer will conduct roll call vote.
 - ii. The Presiding Officer will be provided with completed Check-In Rosters showing which Delegates are in attendance for vote.
 - iii. Using this roster, the Presiding Office will call out Delegates A,B,C per local association and request their vote to be cast.
 - iv. The Inspector of Elections will record the votes (yes or no) into the voting register as spoken. A member of the VR legal department will observe reporting of the votes.
 - v. The counting process will contain the following verifications:
 1. The total number of votes cast
 2. The number of votes scored by each question, candidate or "Yes/No" issue
 3. The percentage of available votes scored by each question, candidate or "Yes/No" issue

The results will be kept at VR Headquarters for ten days following the vote and then destroyed.



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APPENDIX E: VIRGINIA REALTORS® SAMPLE OATH OF OFFICE

E.1. Samples Oath of Office

Please raise your right hands.

Do you solemnly and sincerely promise and swear that you will administer the office to which you have been elected to the best of your ability and judgment and in conformity with the governing documents of the Virginia REALTORS® and the National Association of REALTORS®;

Do you faithfully pledge that you will observe and enforce the Realtor Code of Ethics;

That you will advance and protect real property rights on American soil for all people;

That you will work to create an environment favorable to real estate;

That you will, in all acts, be governed by the principles of honesty, justice and fair play; and

That you will endeavor, in every manner possible, to promote and safeguard the best interests and welfare of the Realtor family, its clients and the customers it serves, and the community at large,

If you do so pledge, please respond by saying "I do".

For Group Installation:

I hereby proclaim each of you to be duly elected and officially installed in your office. Congratulations to you all.

For Individual Installation:

I hereby declare you duly installed as the _____ of the Virginia Association of REALTORS®.

E.2. Passing of the Gavel Procedure

Ask all past-presidents to stand in a row near podium in order of their year of service. Senior-most past president begins the passing of the gavel down the line until it reaches the retiring president, who then passes it to the new president.

The passing of this gavel carries with it the duties and responsibilities of the office to which you have been elected. I congratulate you.



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APPENDIX F: 20 PLEDGE OF FIDUCIARY DUTY TO THE VIRGINIA REALTORS®**

I, the undersigned, in all my dealings in relation to the Virginia 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 VR equally and not a particular 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 following VR policies attached hereto:

1. Antitrust Policy;
2. Conflict of Interest Policy; and
3. Harassment Policy

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 Nonstock Corporation Act, as set out below:

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

A. A director shall discharge his duties as a director, including his duties as a member of a committee, 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 at all times 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 (Committee Member, etc.): _____

Virginia Association of REALTORS® Antitrust Policy

A goal of the Virginia 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, VR has adopted a policy of strict compliance with antitrust laws.

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.

REALTOR® Association Membership. Membership in VR 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 VR or of any local association or on any competitor that membership in any REALTOR® association be limited to companies practicing particular 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.

Availability of Information. As a service to members and to the public, VR 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 as a whole, 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, VR will take care to avoid anticompetitive effects. General historical statistical data collected by VR is for use and analysis by individual members and companies and should not be discussed among competitors at organized functions or otherwise.

Conduct of Meetings. All VR 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:

- Discussions of individual company policies and practices;
- Criticism of another company's practices or of any particular business model; and
- Suggestions that a local association or multiple listing service exclude from membership or participation those who practice any particular business model or engage in any unfamiliar or innovative activity or practice. Despite the fact that VR 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 VR meetings will reduce the likelihood of inappropriate discussions.

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.

Enforcement Policy. This policy statement has been prepared to assure that VR members, and especially VR volunteers and participants in VR 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 VR committees, work groups, task forces, leadership groups, governing bodies or other groups affiliated with VR, 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 VR counsel or seek other competent advice in all cases involving specific situations as they arise, or when in need of guidance.

Virginia Association of REALTORS® Conflict of Interest Policy

A member of any of VR'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 VR or in a business being considered as a provider of products or services ("Business:"); or
- 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 VR'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 VR.

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 committees, SIGS and other member working groups will execute a statement confirming that (i) the member commits to adhere to VR'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.

Virginia Association of REALTORS® Harassment Policy

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

Virginia Association of Realtors®
Appointed or Elected Volunteer Service Agreement

As an Appointed or Elected VR Volunteer, I will:

- Represent all members of VR equally and not a particular subset or local organization thereof;
- Attend all of 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 VR's mission, services, and policies and promote VR; 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 Appointed or Elected VR Volunteer, I understand that I have Duties of Care, Loyalty, and Obedience to VR.
 - 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 VR, 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 as 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 VR's governing documents and mission.

I commit that I will uphold these duties and that I shall do my utmost to ensure that VR performs its mission and achieves its goals. As an Appointed or Elected 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 Appointed or Elected 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 VR, and leave my personal prejudices out of all discussions;
- Always act for the good of VR and represent the interests of all people served by the organization;
- Represent VR in a positive and supportive manner at all times;
- Observe all parliamentary procedures and display courteous conduct in all meetings.

Signature

Date

Appendix G – VAR Professional Standards Policies and Procedures

G.1. Authority

G.1.A. VAR Bylaws

Articles XII and XVII of the VAR Bylaws pertain to Professional Standards, Arbitration and the Code of Ethics. In the event of any conflicts, Bylaws take precedence over policies.

G.1.B. NAR Manual

VAR's Bylaws require that the Code of Ethics and Arbitration Manual of the National Association of REALTORS® (the "CEAM"), as amended from time to time by NAR and/or VAR, be incorporated herein.

In order to conform to local policy and state law, it shall be assumed that the names "Virginia REALTORS®" and "Virginia" have been inserted into the appropriate blanks as enumerated on pages (i) and (ii) of the CEAM. "Secretary," as used in the NAR CEAM, shall refer to the VAR Professional Standards Section.

All references to the model forms from NAR are changed to the customized versions of these forms that have been developed by VAR.

G.1.C. Specimen Forms

VAR will use NAR's Specimen Forms, Checklists, Outlines, and Guides, as amended, with review by Association Counsel to assure that they conform to state law, and to conform to any special requirements established by the Board of Directors through these Policies.

G.2. Grievance Committee

There shall be a Grievance Committee as described in the VAR Policy and Procedures Manual ("PPM").

G.3. Professional Standards Committee

There shall be a Professional Standards Committee as described in the VAR PPM.

G.4. General Provisions

G.4.A. Miscellaneous

G.4.A(1). Definitions

- i. "BOD" means the Board of Directors of the Virginia Association of REALTORS®.
- ii. "CEAM" means the current version of the National Association of REALTORS® Code of Ethics and Arbitration Manual which can be found here <http://www.realtor.org/code-of-ethics-and-arbitration-manual>
- iii. "Citation Schedule" refers to the Citation Policy and fines associated with the Policy adopted by the Virginia Association of REALTORS® Board of Directors.
- iv. "NAR" means National Association of REALTORS®.
- v. "VAR" means Virginia Association of REALTORS®.
- vi. "Professional Standards Section" means the Professional Standards Section of the Virginia Association of REALTORS®.
- vii. Days shall mean calendar days unless otherwise specified.

G.4.A(2). Other

Pursuant to CEAM Statement of Professional Standards Policy #34, VAR reserves the right to consolidate matters arising out of the same transaction or event and conduct a single hearing, except that ethics and

arbitration matters will be heard separately. Respondents do not have the right to a separate hearing unless they can demonstrate that consolidation of complaints would prevent them from receiving a fair hearing.

VAR will maintain statistics (i.e. number of cases, articles violated, cases settled in ombudsman or mediation) including the activity of the Statewide Cooperative, including those records of activity permitted by the CEAM. VAR will share such records with Participating Locals to the extent permitted by the CEAM without violating the confidentiality or due process rights of any party. Specific case information and outcomes will only be shared with the local associations with whom parties hold membership and only to the extent allowed under the CEAM or as required by a cooperative agreement.

G.4.B. Time Periods

Respondent(s) in an ethics case shall have 15 days to submit a response, and respondent(s) in an arbitration case shall have 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 21 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 CEAM unless altered herein.

If a deadline for a party to a case falls on a weekend or holiday, the deadline will be extended to the next business day. If a deadline for VAR falls on a weekend or holiday, the deadline will be moved to the previous business day. Deadlines will be for the close of business at VAR on the date in question (generally 5 p.m. eastern).

G.4.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 CEAM. Delivery of such notices shall be deemed given, served or filed when transmitted. Such transmission shall include a request that the party acknowledge receipt within 24 hours. If such acknowledgement is not received within 24 hours, the Professional Standards Administrator will contact the party by telephone to confirm receipt and note such confirmation in the case file. If an acknowledgement cannot be obtained, the documents will be resent via first class mail.

G.4.D. Board of Directors

G.4.D(1). The following matters will be heard by the full BOD:

- i. Initial Action by Directors,
- ii. Preliminary Judicial Determination Prior to Imposition of Discipline.

G.4.D(2). The following matters will be heard by a panel of at least five BOD members:

- i. Action of the BOD,
- ii. Power to Take Disciplinary Action,
- iii. Appeals from the Decision of a Grievance Panel Related to an Ethics Complaint/Related to a Request for Arbitration,
- iv. Initiating an Ethics Hearing,
- v. Board’s Right to Decline Arbitration,
- vi. Manner of Invoking Arbitration, and

vii. Request for Procedural Review by Directors.

G.4.D(3). Except as detailed above, any matter brought before the BOD may be considered by a panel of Directors appointed by the President. A minimum of five 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. (CEAM Statement of Professional Standards Policy #33) In the event that a panel of the BOD hears a case, the President shall appoint the chair to preside over the BOD panel.

G.4.D(4). In any instance where the President of the Board 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 Board: 1) President-Elect of the Board, 2) the Vice President, 3) the Immediate Past President, or 4) Treasurer.

G.4.D(5). Qualifications for a Director to serve on a tribunal are set forth in Section 2 of the CEAM. Additionally, Directors must have attended the VAR Professional Standards Road Show, or a comparable training program, for the year in which the actions giving rise to the case took place and for the year in which the tribunal is meeting.

G.4.E. Hearing Fees, Generally

The following costs have been established and are subject to review and change as needed.

1. The charge for each audio duplication of a hearing shall be \$25.00.
2. The appeal deposit for an appeal from a Professional Standards or Arbitration hearing shall be \$500.00 per party filing an appeal. In the event that more than one party appeals a decision, the maximum amount retained by VAR will be \$500. All prevailing parties will be refunded their appeal deposit. The \$500 retained by VAR will be divided equally among the non-prevailing parties.
3. The administrative processing fee for all hearings shall be \$500.00.
4. If an arbitration case is settled through mediation or otherwise prior to the end of two business days before the hearing, the administrative processing fee shall be \$75.00 per party.
5. If an arbitration case is settled through mediation or otherwise less than two business days before the hearing but prior to the start of the hearing, the administrative processing fee shall be \$150.00 per party.
6. If an arbitration case is settled through mediation or otherwise after the start of the hearing but prior to adjournment of the hearing, the administrative processing fee shall be \$200.00 per party.
7. A returned check fee will be \$35.00. If a check is returned, the fee plus the \$35.00 return check fee must be paid via certified or cashier's check.
8. The Administrative Fee for a waived hearing is \$250.00.
9. The Citation Administration Fee is \$150.00.

G.5. Professional Standards Cooperative

G.5.A. Cooperative

VAR offers a statewide Professional Standards cooperative program, which allows local associations to contract with VAR to provide professional standards administration at an agreed rate. For local associations that do not participate in the cooperative program, VAR provides ad hoc administration of cases as outlined below.

An Association will either be a "Participating Local" or a "Non-Participating Local" based on whether it has joined the Statewide Professional Standards Cooperative. Participating Locals authorize the Statewide Cooperative to administer all Professional Standards cases (ethics and arbitration) that would ordinarily be in the jurisdiction of that association.

VAR will open enrollment for local associations to join the Statewide Cooperative from September 30 until November 30 of each year, during which Non-Participating Locals may join the Statewide Cooperative for the following calendar year's service. VAR may allow additional enrollments and withdrawals at other times on terms determined at its sole discretion. (See Appendix B, III.B.)

Joining the Statewide Cooperative will be voluntary. Local associations who do not have a qualified Professional Standards Administrator, a local cooperative agreement or appropriately trained committees are strongly encouraged to either join the Statewide Cooperative or to outsource those responsibilities to a competent neighboring association.

Participating Locals agree to abide by VAR's Professional Standards Policies and Procedures, as well as any additional policies and procedures as may be necessary for the administration of the Statewide Cooperative program as a condition of participation.

Pursuant to Article XII of the VAR Bylaws, VAR will continue to offer services to Non-Participating Locals that require assistance in individual cases. Such services will be provided pursuant to these policies and procedures and may involve fees that are different than those paid by Participating Locals as outlined below.

G.5.B. Geographic Area

The geographic area served by this Agreement shall be the area of the combined territorial jurisdiction assigned to all Participating Locals by NAR, which are signatories to the agreement, and have agreed to participate in the Statewide Cooperative.

G.5.C. Requests

When a Non-Participating Local has signed a Non-Participating Local Agreement of The Statewide Professional Standards Cooperative Agreement (Appendix C), the Grievance Committee of the Non-Participating Local may vote to refer the matter to VAR. If the local association has not entered into an agreement with VAR to provide professional standards administrative services, the Board of Directors, or another body authorized to enter into contracts on behalf of the association must vote to refer the matter to VAR. Pursuant to NAR Statements of Professional Standards Policy # 18, local associations should exhaust all efforts to impanel an impartial panel to conduct either the original hearing or the appeal or procedural review. VAR reserves the right to refuse to accept any referrals in its sole discretion.

G.5.D. Costs

Any local association that refers a case to VAR and is not part of the statewide Professional Standards Cooperative Program will pay based on the actual costs of the services provided, with a minimum fee of \$500 for any case in which an ethics or arbitration hearing is scheduled, and a minimum fee of \$500 for any other services (e.g., Grievance Committee, Review Panel, etc.). Actual costs of services shall be based upon the following and may be adjusted by VAR as necessary:

- Duplication costs of \$0.25 per page,
- Actual costs such as:
 - Postage,

- Courier services,
- Transcription costs
- Reimbursement of staff mileage at the current IRS rate per mile or the actual cost of staff car rental and gasoline,
- Staff per diem for meals and incidentals at the current GSA rate for the location of the hearing
- Cost of staff lodging

G.5.E. Panel Recommendations

G.5.E(1). VAR has established a Grievance Committee and a Professional Standards Committee in conformance with its PPM, with additional members of panels to be recommended as stated below.

G.5.E(2). Recommendations by Participating Locals

- i. All Participating Local recommendations must be association members in good standing and meet the qualifications set forth in the PPM.
- ii. Within 30 days of signing the agreement or at the start of each renewal period, each Participating Local shall designate the specified number of qualified members who are willing to serve on a panel if called on by VAR.
- iii. For Grievance Panels each Participating Local shall designate one (1) local association member plus three (3) additional association members for each 500 primary association members (or portion thereof) of the Participating Local after the first 500 primary association members as stated in the VAR membership records as of October 31 of the prior year. Should a designated association member fail to abide by the requirements set forth in the PPM, the Participating Local shall designate a qualified replacement association member within 30 days. If no such association member is available, VAR may designate a replacement member.
- iv. For Professional Standards Panels each Participating Local shall designate a minimum of two (2) local association members plus three (3) additional association members for each 500 primary association members (or portion thereof) of the Participating Local after the first 500 primary association members as stated in the VAR membership records as of October 31 of the prior year. If a designated association member fails to abide by the requirements set forth in the PPM, the Participating Local shall designate a qualified replacement association member within 30 days. If no such association member is available, VAR may appoint a replacement member.

G.5.E(3). Local Association Responsibilities

- i. In matters of alleged unethical conduct, any final determination by a Review Panel will be provided to the Participating Local of which respondent is an association member as called for under the agreement. The decision of a Review Panel shall be final and binding, subject to the appeal process of the PPM, and is not subject to further review by that Participating Local or by any other association.
- ii. In matters involving arbitration, any final determination will be provided to each respective party's Primary Board/Association for informational purposes only. In the event a party refuses to pay an arbitration award, the award recipient will be advised to seek judicial enforcement as set forth in Section 56, Appendix III to Part Ten, of the CEAM.

G.6. Committees

G.6.A. Membership

In order to participate in a Grievance Committee Meeting or panel, or to serve on Professional Standards or Arbitration hearing panels, Members of the Grievance Committee and Professional Standards Committee must attend the VAR Professional Standards Road Show training, or such similar Professional Standards enforcement

training as approved by VAR, annually. In the event the training is not offered until after the start of the year of service, committee members who had successfully completed training the prior year shall be eligible for panel appointments.

Members of the Professional Standards Committee should consider observing one Professional Standards hearing before serving on a panel.

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

Membership on each committee includes the responsibility to serve on panels created pursuant to the Statewide Professional Standards Cooperative.

G.6.B. Meetings & Panels

A VAR staff member trained in professional standards must be in attendance at all meetings and panels.

During all meetings, pagers and cellular/mobile phones shall be turned off and set aside so as not to disturb or delay the proceedings.

G.6.B(1). Grievance Panels

Panels of at least five (5) members of the Grievance Committee shall meet on the third Tuesday of each month.

The Chair of the Committee may reschedule this meeting when conflicts prevent the committee from meeting on the third Tuesday of the month.

A copy of the complaint will be distributed to the members of the panel not disqualified from considering the case. Prior to the review of each case, the Chair of the panel will review the names of the parties and the firms they are affiliated with. Each member of the panel will be asked if they can impartially participate in the consideration of the case. Members of the panel shall disqualify themselves if they are unable to objectively consider the case. In the event that there is no case to be reviewed, the Chair of the Committee may direct staff to provide a case study for review by the grievance panel to ensure Committee members have the ability to apply the skills learned in training.

G.6.B(2). Grievance Committee

The Grievance Committee as a whole meets at the call of the Chair.

G.6.B(3). Professional Standards

The Professional Standards Committee meets at the call of the Chair.

G.7. Professional Standards Process

G.7.A. General

Below are the general procedures that apply to both Professional Standards and Arbitration hearing panels when VAR is handling a matter when the respondent is a member of a Participating Local or the matter has otherwise been referred to VAR to administer. Please see the appropriate section below for any deviations from these procedures.

If litigation or any government agency investigation or other action is pending related to the same transaction, see CEAM 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 from when the matter was closed, 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.

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

In any instance where the Chair of a committee is disqualified from participating in the review of a case then the Vice Chair or most senior member of the committee may act as the chair for the disposition of that specific case.

The Professional Standards Section has been designated as the Professional Standards Administrator for VAR.

To ensure personal safety in all hearings, any person entering the hearing room (party, witness, panel or staff) will be required to leave any weapons outside the hearing room.

Cellular phones, two-way radios and other transmitting devices may not be operated during any hearing absent specific, advance authorization from the Hearing Panel Chair.

G.7.A(1). Panel Selection/Qualification for Tribunal

Hearing Panels shall consist of five (5) panel members. For Hearing Panels, one 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 participating in a hearing. In the event that a three (3) person panel is used, the Chair of the panel will serve as a non-voting member of the hearing panel. The Chair will have the ability to ask questions of the parties and participate in the discussion during Executive Session but will not cast a vote on the decision or award and sanctions, if any.

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

The Professional Standards Committee Chair may delegate the responsibility of selecting members of a hearing panel to the Professional Standards Section. 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.)
- At least one panel member must be a Principal Broker if the respondent is a Principal Broker.
- At least one panel member must not be a Principal Broker if the respondent is not a Principal Broker.

In the event that VAR is unable to find a sufficient number of impartial and unbiased members from the necessary committee, the Chair of the Committee may appoint replacement members from VAR general membership who are qualified to serve.

VAR may also draw replacement panel members from other associations under any cooperative enforcement agreement in place. (Appendix C)

In the event that any member of the Grievance Committee, Professional Standards Committee and/or Board of Directors is named in a case, the following procedures will apply:

- The opposing parties to the case will be advised which committee the other named party is currently a member of.
- 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 of the committee/board members.
- The committee/board member is automatically disqualified from participating in any action by the Grievance Committee and/or any panel that may be selected to act on behalf of the Professional Standards Committee or Board of Directors that may be called to consider this case. Committee 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 Committee, Professional Standards Committee, or Board of Directors who is eligible to serve on any meeting or panel regarding this matter.
 - If a hearing is convened, the individual will retain the 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.

G.7.A(2). Pre-Hearing

i. General

When contacted by an individual to request ethics or arbitration paperwork, or upon receiving the complaint if the complainant does not request the necessary paperwork from VAR, VAR will determine where the respondent(s) hold membership. If the respondent is a member of an association that has joined the Ombudsman Cooperative, VAR will offer Ombudsman services to the complainant. See Appendix K for Ombudsman procedures. If the respondent is a member of an association that is not part of the Ombudsman Cooperative, VAR will coordinate with the local association to ensure that the complainant is offered Ombudsman services.

If the respondent(s) do not hold membership in a Participating Local, the complainant will be contacted and provided with the list of local associations where the respondent(s) hold membership and given the opportunity to select which association they would like to have the matter forwarded to.

When VAR has received an ethics complaint or an arbitration request, voluntary mediation services will be offered to the complainant. If the complainant accepts mediation services, VAR will contact the respondent to inform him or her that a complaint has been filed and offer voluntary mediation services.

The respondent will be given fifteen (15) days from his or her receipt of the notice of the case to provide a written response.

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 or Professional Standards Committee Chair, as applicable.

Upon receipt of the response, a copy shall be sent to the complainant within two (2) business days. Copies of any additional filings are forwarded to the parties within two (2) business days as they are received.

Please see applicable section below for Committee review of case.

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.

Hearing Panels are authorized to conduct pre-hearing meetings, with or without the parties, to determine questions of:

- Whether ethics complaints and arbitration requests are timely filed,
- Whether arbitrable issues exist,
- Whether arbitration requests are too legally complex, and
- Other administrative issues.

ii. Documents

Evidence to be included as part of the master case file should be sent either in hard copy or as attachments (PDF, Word, etc.) to emails and should not be contained in the body of an email sent to VAR staff. Unless explicitly directed by the party to include an email in the case file, VAR staff will not print and include emails in the master case file.

VAR will send a copy of a party's complaint or response to all parties with the Official Notice of Hearing at least twenty-one (21) days prior to the scheduled hearing. VAR will provide a copy of the written record, the Grievance Committee decision and the Official Notice of Hearing to panel members assigned to the case at least twenty-one (21) days prior to the hearing. The written record includes the following: the original complaint, the original response, and any additional documents that were provided to the Professional Standards Section. Staff members have no discretion over which documents to add or remove from the written record.

Any supplementary documents submitted after VAR has sent the written record to the parties must be provided to VAR and the opposing party at least fifteen (15) days before the hearing. Any additional documents provided to VAR will be sent to the panel members within two (2) business days of receipt. If the documents are provided less than two (2) business 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 written record will be sent to the replacement panel member as quickly as possible.

Failure to file supplementary documents with VAR 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 that 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, the objecting party may request a continuance of the hearing in order to review the documents.

In the event that additional written information is presented on the day of the hearing, the hearing may be delayed until the panel members and the parties have had the time needed to review the material. The hearing may then 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 VAR less than fifteen (15) days before the hearing, VAR will charge an administrative fee of \$1.00 per page or the actual costs, whichever is greater, to copy the documents unless the party provides seven (7) copies, not including the original they keep, 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 Section identifying the specific document or other form of evidence required. The Professional Standards Section will contact the Chair of the panel to determine the relevance of the request and whether to require the party to provide the document. If the Chair determines the requested evidence is relevant, VAR staff will contact the party(ies) to pass on the request. When the request is made of a REALTOR® the Professional Standards Section will advise the individual of his or her obligation under Article 14 of the Code of Ethics.

iii. Scheduling Hearings

The Professional Standards Section will first contact the parties, within two (2) business days of transmitting the Grievance Committee decision, to arrange for a proposed hearing date that is acceptable to all parties for approval by the Chair of the Professional Standards Committee. The parties have fifteen (15) days to reach an agreement on the proposed date of the hearing. After fifteen (15) days the Professional Standards Section may request that the Chair of the Professional Standards Committee select a date for the hearing. Such selection shall be made within ten (10) days of the parties not being able to reach an agreement. In no event shall the hearing date be selected more than twenty-five (25) days after the Grievance Committee decision is transmitted to the parties.

Before a panel has been selected, the parties shall be sent a copy of the appropriate forms for challenging the qualifications of any Professional Standards Committee member, or other qualified individual, to serve on the panel. Each party may challenge any potential panel member who would otherwise be eligible to serve on the hearing panel.

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 potential 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 Section believes that the grounds for the challenge provided by the parties represent may violate due process.

G.7.A(3). Conduct of Hearing

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

A member of the Professional Standards Committee may be present as an observer 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 about the procedures, but cannot voice their opinions or contribute to the findings of fact or any imposed sanctions.

VAR will record the proceeding or have a court reporter present. If VAR does not use a court reporter, parties may not record the proceedings. If VAR uses a court reporter, parties may record the proceedings.

Any party to a hearing has the right to obtain a copy of the Association’s official audio recording, if one exists, subject to payment of a duplication cost of \$25.00 per copy.

VAR may, instead of recording the hearing, use a court reporter. If the court reporter for VAR is scheduled to record a hearing, but is unavoidably detained or unable to record the hearing, the hearing will be rescheduled at a date and time when a court reporter will be available to record the hearing if there is not another method of recording the hearing.

If a party would like to obtain a copy of the transcript, the fee is the cost VAR pays to obtain the transcript or an equal portion if more than one party obtains a copy. The fee is dependent on the length of the hearing and rates are set by the transcription service, not VAR.

In general, copies of the audio recording or transcript that are requested outside the timeframe allowed for appeals or procedural reviews will be denied unless the requesting party provides justification to the chair of the Professional Standards Committee demonstrating a need for the transcript or recording which would not result in an unauthorized use. The Professional Standards Committee chair should consult with VAR Professional Standards Counsel in making a determination of whether to grant or deny any such request.

In the event that a party or witness is unable to attend the hearing in person (“Absent Person”), VAR will work with the Absent Person to find another REALTOR® Association where the Absent Person can participate via teleconference or videoconference. If the Absent Person is not able to go to another REALTOR® Association during the hearing, the Absent Person will be responsible for finding a Notary Public that they can appear before and who will remain with the Absent Person for the duration of the hearing to ensure there are no unauthorized persons in the room where the Absent Person is participating in the hearing from. The Absent Person will be responsible for any costs incurred by their remote testimony. In the event the Absent Person is not able to find a Notary Public that can remain with them for the duration of the hearing, the Hearing Panel Chair may authorize alternate procedures, in writing, in advance of the hearing.

G.7.A(4). Decision of Hearing Panel

The names of the parties should be included in Hearing Panel decisions brought before the Board of Directors.

G.7.A(5). Appeal Procedure

All appeals must be in writing and on the appropriate form.

The Board of Directors has authorized the use of five (5) member panels for appeals of Grievance Committee and Professional Standards Hearing Panel decisions.

Neither Appeal nor Procedural Review proceedings will be recorded.

i. 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.

Parties are not entitled to participate in or attend these appeal hearings, which will meet in executive session.

ii. Appeal from Panel Decision

Appeals for a Hearing Panel decision shall be on the required form and accompanied with a \$500 deposit. If the party prevails on the appeal, the deposit is refunded. If not, the deposit is retained by the Board. The appeal deposit shall not exceed the maximum allowed by NAR and will automatically be raised to the maximum allowed by NAR. In the event that more than one (1) party appeals a decision each party must submit the deposit; however, the maximum amount retained by VAR will be \$500. All prevailing parties will be refunded their appeal deposit. The \$500 retained by VAR will be divided equally among the non-prevailing parties.

For an appeal to be considered properly filed, VAR must receive the appeal deposit, the appropriate form and a statement that sets forth in reasonable detail the facts and evidence to support the bases cited by the appeal deadline. If all three are not submitted by the appeal deadline, the appeal will not be considered.

All appeals will be reviewed within ten (10) days after the appeal was received by the Association by the President or the President's designee only for the purpose of determining whether the appeal states any legitimate basis for consideration by the BOD. If determined to be insufficient, the appeal shall be returned to the appellant with an explanation and a request for additional detail to be received by the Association within ten (10) days of notice. (CEAM, Section 23)

All appeal hearings are scheduled at a special appeal review tribunal meeting. VAR 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 VAR. Parties may obtain a copy of the transcript from VAR 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 hearing is held.

The Professional Standards Section will first contact the parties, within two (2) business days of receipt of the appeal, to arrange for a proposed hearing date that is acceptable to all parties for approval by the President of the Board of Directors. The parties have fifteen (15) days to reach an agreement on the proposed date of the hearing. After fifteen (15) days the Professional Standards Section may request that the President of the Board

of Directors select a date for the hearing. Such selection shall be made within ten (10) days of the parties not being able to reach an agreement.

Appeals of Professional Standards Hearing Panels will be heard by a five (5) member panel of the Board of Directors. The President of the Board will choose the panel considering the following criteria: (see CEAM, Section 2 Qualification for Tribunal)

- The member's experience in real estate discipline (property management, residential resale, commercial, etc.) that apply 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 that the board member has participated on
- 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

G.7.B. Ethics Hearings

G.7.B(1). General

Upon the Grievance Committee's decision to forward an ethics matter to a hearing, if the respondent has not been previously notified of the pending matter through the Ombudsman or mediation processes, the respondent will be sent a notice that an ethics complaint has been filed which names him or her as a party. The respondent will be provided with a copy of the complaint against him or her with the Grievance Committee decision.

G.7.B(2). Fees

VAR imposes an administrative processing fee of \$500 against respondents found in violation of the Code of Ethics or membership duties. Any administrative processing fee will be in addition to, and not part of, any disciplinary sanctions imposed and must be paid to VAR within thirty (30) days of the respondent receiving notice of the final action of the Board of Directors. Failure to pay this administrative processing fee within thirty (30) days of the Notice of Final Action will be considered a violation of a membership duty.

This amount will be automatically raised or lowered to any new maximum cap authorized by the CEAM.

G.7.B(3). Pre-hearing

If during the Grievance Panel meeting, the complaint is amended to include additional allegations, the complainant will be given an opportunity to sign the new amended allegation. If the complainant signs the allegation then the complainant will argue the new allegation before a hearing panel along with the original case. If the complainant refuses to sign the amended allegation form, then the Grievance Committee may become a party to the case in order to present a case for the amended allegation to a hearing panel as part of the hearing for the overall case that is forwarded to the Professional Standards Committee. The Grievance Committee must determine that there is clear, strong and convincing evidence to support the additional allegations before becoming a party. Any deadlines will run from the time VAR receives an acknowledgement from the complainant that they will sign the amended allegation form or the Grievance Committee votes to become a party.

VAR adopts the optional policy for an expedited ethics hearing process as outlined in optional CEAM Sections 20 (f)-(q). Once the Grievance Committee has forwarded the complaint, the respondent has the following options: 1) sign an Optional Waiver of Hearing form, admitting to the violation and agreeing to sanctions; 2) proceed to a hearing; or, if applicable, 3) follow the Citation Policy detailed below.

G.7.B(4). Citation Policy

Upon receipt of a complaint, the Grievance Panel 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 Committee may issue a citation to the respondent if they believe a citation is appropriate. The respondent may then chose to pay the fine within ten (10) days or contest the citation and elect to proceed to a hearing in accordance with the CEAM.

The Administrative Fee for the Citation Policy is \$150.00.

See Appendix A for Citation Policy and Schedule.

G.7.B(5). Withdrawn & Abandoned Complaints:

Withdrawn complaints are covered in CEAM Section 21 (e) – Complainants may withdraw their complaints at any time prior to the adjournment of an ethics hearing. If a complaint is withdrawn by the complainant after the Grievance Committee determines the complaint requires a hearing, it will be referred back 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. A complaint so withdrawn shall not be deemed a final determination on the merits, however, the complainant may not resubmit the complaint on the same matter.

When the Grievance Committee acts as the complainant in an ethics case, the Grievance Committee Chairperson takes the case forward. The Chairperson of the Grievance Committee may delegate this role to any member of the Grievance Committee who is otherwise qualified.

In the event that a complaint, filed by a member of the public, is forwarded to a hearing and the complainant refuses or is unable to attend the hearing, the case will be considered Abandoned.

In the event that a complaint, filed by a REALTOR®, is forwarded to a hearing and the complainant refuses or is unable to attend the hearing, the complainant shall be advised that refusal to participate in the hearing, absent a satisfactory reason, may result in a charge that the complainant has violated Article 14’s obligation to place all pertinent facts before an appropriate tribunal. If the REALTOR® complainant continues to refuse a duly noticed request to appear, or if the complainant is excused from appearing for reasons deemed valid by the hearing panel, the case will be considered Abandoned.

Abandoned cases are referred back to the Grievance Committee. If the Grievance Committee determines that there is sufficient information for a hearing panel to consider (i.e., that there is clear, strong, and convincing evidence), the complaint shall be amended to name the Grievance Committee as the complainant and the hearing shall be continued to a new date.

G.7.B(6). Sanctions

Publication of the names of ethics violators can 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 Board in which the violator holds (held) membership. Other than the violator's name, the only additional information that may be published is the Article or Articles violated and the discipline imposed. In cases where the violator's name is similar to another member's name, the violator's license number or office address may also be published. (CEAM, Statement of Professional Standards Policy 45)

G.7.B(7). Review of Decision

i. No Appeal Filed

In the event no appeal is filed within twenty (20) days of the panel decision being transmitted to the parties, a panel of five (5) members of the VAR BOD will meet in executive session to review the decision within thirty (30) days of the decision being transmitted. The Directors will adopt the decision unless:

1. The Directors are concerned about a possible procedural deficiency. In this instance, the Directors shall refer the decision back to the Professional Standards Committee for a new hearing and recommendation by a different Hearing Panel.
2. The Directors are concerned with the appropriateness of the recommendation of sanctions. In this instance, the Directors may impose alternative discipline that does not exceed that recommended by the Hearing Panel, or may refer the decision back to the original Hearing Panel for further consideration and recommendation accompanied by the Director's concerns regarding the discipline. The Hearing Panel has no obligation to increase the sanctions, however, if they do, the respondent(s) will have an additional twenty (20) days from the date the Hearing Panel's revised decision has been transmitted to appeal the revised discipline.
3. The consequences for noncompliance with discipline are not specified, in which case the Directors must refer the decision back to the original Hearing Panel for determination of the consequences for noncompliance. In such instance, the respondent(s) will have an additional twenty (20) day appeal period from the date the Hearing Panel's revised decision is transmitted to appeal only the severity of the consequences for noncompliance.
4. The Directors conclude the findings of fact do not support a violation of the Code of Ethics, in which case the complaint will be dismissed.

ii. Appeal Filed

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

G.7.C. Arbitration Hearings

G.7.C(1). General

The privilege to invoke arbitration and the duty to arbitrate is personal. Although any REALTOR® principal may invoke the arbitration facilities of a Board and be required to arbitrate, REALTOR® principals may not delegate this privilege or obligation. (CEAM Policy Statement # 43)

Voluntary arbitration will be offered as a service under each set of circumstances described in the CEAM.

G.7.C(2). Fees

The required deposit amount from both the complainant and respondent shall be \$500. The deposit amount will be automatically raised or lowered to any new maximum cap authorized by the CEAM.

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 VAR if an arbitration case is placed in abeyance due to litigation.

G.7.C(3). Pre-Hearing

Upon receipt of an arbitration claim, the respondent will be notified of the claim and provided a copy of the claim.

Prior to the matter being reviewed by the Grievance Committee, both parties will be offered the services of an ombudsman and a mediator. Regardless of whether the parties have previously attempted mediation, they will be offered mediation a second time if the Grievance Committee determines that it is an arbitrable matter.

G.7.C(4). Conduct of Hearing

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 VAR for its expenses, and the arbitrators shall determine the disposition of the balance of both deposits.

At the end of each arbitration hearing, prior to the executive session, the Panel Chair will provide the parties with an additional opportunity to settle. The parties will be allowed fifteen (15) minutes, in a private space, to discuss any settlement agreements. If the parties reach a settlement agreement, they will state so on the record and confirm that the matter is closed.

G.7.C(5). Procedural Review

The BOD 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 Committee for a hearing on the merits before a different Hearing Panel.

After all procedural remedies provided for have been exhausted, a member is not precluded from asserting any legal rights to which he is entitled.

G.7.C(6). Withdrawn Complaints/Settlement

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

If an arbitration case is settled through mediation or otherwise prior to the end of two business days before the hearing, the administrative processing fee shall be \$75.00 per party. If an arbitration case is settled through mediation or otherwise less than two business days before the hearing but prior to the start of the hearing, the administrative processing fee shall be \$150.00 per party. If an arbitration case is settled through mediation or otherwise after the start of the hearing but prior to adjournment of the hearing, the administrative processing fee shall be \$200.00 per party.

G.7.C(7). Refusal to Arbitrate

VAR adopts Option #3 regarding signed agreements and deposits. 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 scheduled and conducted in the absence of the respondent.

G.7.C(8). Mediations

VAR will offer mediation as a preliminary, voluntary alternative to arbitration. By this reference, VAR hereby adopts Option #1 for initiation of Mediation Procedures from the CEAM in Appendix VI to Part 10.

If an arbitration case is settled through mediation or otherwise prior to the end of two business days before the hearing, the administrative processing fee shall be \$75.00 per party. If an arbitration case is settled through mediation or otherwise less than two business days before the hearing but prior to the start of the hearing, the administrative processing fee shall be \$150.00 per party. If an arbitration case is settled through mediation or otherwise after the start of the hearing but prior to adjournment of the hearing, the administrative processing fee shall be \$200.00 per party.

Appendix A – Citation Policy & Schedule

A Complaint alleging violation of the Code of Ethics is received by an association and channeled through the Grievance Committee:

1. The Complaint is forwarded to the Grievance Committee. The Grievance Committee 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 association, i.e. a citable offense?
 - i. If a citable offense then the Complaint and the attached citation is sent to violator, with copy to his Designated Realtor
 - ii. Citations are not used for purpose of possibly increasing discipline at future ethics hearings.
 - iii. In the event the members of the Grievance Committee determine the conduct described in the complaint is sufficiently egregious to warrant a hearing rather than a citation, the complaint shall be referred to the Professional Standards Committee for hearing consistent with the policies and procedures set forth in the CEAM for ethics hearings.
 - c. If conduct is not eligible for citation, but possible violation of the Code of Ethics is alleged,
 - i. Grievance Committee has authority to amend complaint with additional alleged violations of Code of Ethics and/or the Bylaws of the association.
 - ii. Matter will be sent forward for an ethics hearing according to the NAR CEAM.
 - d. If no possible violation is alleged, the Complaint will be dismissed and subject to the procedures set forth in the CEAM.
2. In the event the Grievance Committee 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 Committee requires the violator attend an Ethics Class, the violator must complete the required Ethics Class within the time frame set forth. The Grievance Committee 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 set forth.
 - c. Contest the citation and elect to proceed to a hearing in accordance with the CEAM. At the option of the 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 CEAM.
3. The citation will be kept in the violator's file only for purposes of keeping track of the number of citations within a three (3) year period and shall not be used to possibly increase discipline at a future, unrelated ethics hearing. Only three (3) citations in a three (3) year period may be issued to the same violator. When the number of citation limit is reached, no further citation can be issued to that violator and all alleged violations must go through the procedures established by the NAR CEAM
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 pursuant to Section G.7.A(2)ii.

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 CEAM with all its allowable sanctions.
6. Citations:
 - a. Associations may adopt all or a part of the citation list attached. (The association may adopt fewer than the number of citations listed but may not add citable offenses).
 - b. Amount of fine for citable offense:
 - i. Fines may not exceed maximum allowable by the CEAM.
 - ii. The association may adopt, at their option, graduated fines for multiple violations.
 - iii. The Administrative Fee for the Citation Policy will be \$150.00.
 - c. The association may elect to mandate ethics training as an alternative to paying the fine.

Article 1		
	Failure to disclose dual representation and obtain written informed consent from both parties	\$500
Article 3		
	Failure to disclose existence of a dual or variable rate commission	\$400
	Failure to disclose existence of other contracts to cooperating brokers	\$250
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	\$500

	the listing broker	
	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/lease sign on property without permission of seller/landlord	\$200

Appendix B – Statewide Professional Standards Cooperative Agreement

I. Purpose

VAR has created a Statewide Professional Standards Cooperative for the purpose of helping Participating Locals meet their responsibilities to enforce the Code of Ethics. Through this cooperative program, VAR will fulfill the necessary and required administrative responsibilities of the Participating Locals.

II. Operation

A. This agreement delegates to VAR the authority to establish and periodically modify all related rules, policies and procedures, and the amendment and/or adoption of language necessary to complete the optional portions of the NAR *Code of Ethics and Arbitration Manual* (the "CEAM"). Substantive decisions regarding the policies, rules and procedures of the Cooperative will be subject to approval by the VAR Board of Directors.

B. It is acknowledged and understood that VAR will be providing services to Participating Locals as part of a fee-based program. Fees will be established based on criteria and procedures included in the VAR PPM, and are subject to review and revision each year by VAR based on the budgetary needs of the Cooperative.

III. Reservation of Rights

- A. It is understood and agreed that the Participating Local reserves to itself all authority, rights and privileges assigned to it by its Charter and agreement with the NATIONAL ASSOCIATION OF REALTORS®, except as voluntarily modified by this Agreement.
- B. This Agreement is to be construed as a year-to-year agreement, with automatic one-year renewal terms running from January 1-December 31 of each subsequent year. The Participating Local may terminate this Agreement and withdraw from the Cooperative at the end of any calendar year by providing notice of its decision to VAR at least sixty (60) days prior to the end of that year, and may withdraw from the Cooperative at any time during the year by providing notice at least ninety (90) days prior to the withdrawal date. In the event the Participating Local withdraws prior to the end of the calendar year, no fees will be refunded.
- C. VAR reserves the right to terminate the Agreement and dissolve the Cooperative at the end of any calendar year by providing notice of its decision at least one hundred eighty (180) days prior to the end of the year.

Acceptance by Participating Local

This Agreement has been approved and accepted by the Board of Directors of the _____ Association of REALTORS® at its meeting held on _____, **and confirmed in accordance with the Association's Bylaws.**

Local President: _____

_____ Date

Acceptance by Virginia Association of REALTORS®

Chief Executive Officer: _____

_____ Date

Appendix C – Non-Participating Local Agreement of The Statewide Professional Standards Cooperative Agreement

To ensure fair, impartial and knowledgeable enforcement of the Code of Ethics, including arbitration, the undersigned local Association of REALTORS® (“Non-Participating Local”) and the Virginia Association of REALTORS® (“VAR”) agree to exchange enforcement responsibilities, pursuant to National Association of REALTORS® Professional Standards Policy Statement #40, on an as-needed basis.

Accordingly, when a signatory to this Agreement (“Referring Association”), requires assistance administering an ethics or arbitration case (“Proceeding”), upon request, the other signatory to this Agreement (“Administering Association”) may assume the agreed upon administrative responsibilities for the Proceeding as permitted by its governing documents. Such responsibilities may include review by the Grievance Committee, hearing by a Professional Standards Committee Hearing Panel, and any review by the Board of Directors, as necessary and required. Precise responsibilities to be performed in any such Proceeding will be specifically agreed to in writing by the Professional Standards Administrators at the time the Proceeding is referred. Imposition of discipline and sanctions shall be the responsibility of the Referring Association. The Administering Association will retain all fees and fines assessed in any case.

The Board of Directors of the Referring Association agrees to be bound by and implement the decisions in connection with the Proceeding that are made by the Administering Association. In addition, the Referring Association further agrees to reimburse the Administering Association the actual, reasonable costs incurred for fulfilling all such administrative responsibilities required by the Proceeding, including:

- A. Payment of an administrative fee of \$500 for each case in which an ethics or arbitration hearing is scheduled, and the actual reasonable costs required for staff support of panel meetings and hearings.
- B. Actual costs of services based upon the following
 - 1. Duplication costs of \$0.25 per page,
 - 2. Actual costs such as:
 - a. Postage,
 - b. Courier services,
 - c. Transcription costs,
 - d. Reimbursement of staff mileage at the current IRS rate per mile or the actual cost of staff car rental and gasoline,
 - e. Staff per diem for meals and incidentals at the current GSA rate for the location of the hearing
 - f. Cost of staff lodging

Any fines or fees assessed in a case will not offset the Referring Association administrative fee or cost of service.

Association of REALTORS®

Name of Non Participating Local

By

Date

Virginia Association of REALTORS®

By

Date

Appendix D – Mediation of Potentially Unethical Conduct

The chair of the Professional Standards Committee will select ethics mediators to act on behalf of the committee. Mediators should be thoroughly familiar with the Code of Ethics, Virginia real estate regulations, and current real estate practice.

Complaints brought by the public or by other REALTORS® may be mediated under these procedures. Complaints brought by the Grievance Committee and complaints alleging a violation of the public trust (as defined in Article IV, Section 2 of the NAR Bylaws) may not be mediated.

Persons inquiring about the process for filing ethics complaints will be advised that ethics mediation is available as an alternative to a formal ethics hearing provided that all parties agree to participate, and will also be advised they may decline or withdraw from mediation and have their complaint considered pursuant to the formal ethics enforcement process established in the CEAM. Similarly, REALTORS® complained about have the right to decline or withdraw from mediation and to have complaints against them considered at a formal ethics hearing.

When a written ethics complaint is received in the appropriate form, it will be reviewed by the Grievance Committee so a determination can be made whether a possible violation may have occurred or, alternatively, whether the complaint should be dismissed as not requiring a hearing.

If the parties agree to submit to mediation and upon the review and recommendation for hearing by the Grievance Committee as set forth above. VAR will allow the parties opportunity to challenge the qualifications of any mediator selected. If there are no challenges to the selected mediator, the Association shall forward the materials received to the ethics mediator and shall work with all parties to schedule a meeting at a mutually agreeable time.

Resolutions can include, but are not limited to, payment of disputed funds, repairs or restoration of property, written or oral apology, or acknowledgment of a violation of the Code of Ethics. In cases where a REALTOR® acknowledges that the Code has been violated, that admission may be sufficient to resolve the matter or, alternatively, the parties may agree that discipline should be imposed. The discipline may, at the agreement of all parties, include any of the forms of discipline established in the CEAM and may also include payment of monies to the complainant or to a third party. Also, the parties may agree that the complainant will withdraw a complaint in return for the respondent's action or acknowledgment.

Ethics mediators cannot refer concerns they have regarding the conduct of any party to mediation to the Grievance Committee, to the state real estate licensing authority or to any other regulatory body. This prohibition is intended to ensure impartiality and avoid the possible appearance of bias. Mediators are, however, authorized to refer concerns that the public trust may have been violated to the Grievance Committee.

Failure or refusal of a respondent to comply with the terms of any mutually agreed resolution shall entitle the complaining party to resubmit the original complaint. The time the matter was originally brought to the Association's attention shall be considered the filing date for purposes of determining whether an ethics complaint is timely filed.

Appendix E – Table of VAR Fees

Fee Type	Amount	Location within Policy
Administrative Processing Fee		
Ethics Hearings, Respondent in Violation	\$500	G.4.E, G.7.B(2)
Arbitration Hearings	\$500	G.4.E, G.7.C(2)
Citation Policy	\$150	G.4.E, G.7.B(4), Appendix A
Waived Hearing	\$250	G.4.E
Mediation	\$75/party	G.4.E, G.7.C(8)
Appeal Deposit	\$500/party	G.4.E, G.7.A(6)(ii)
Copies of documents for hearings when less than 7 copies provided less than 15 days before the hearing	\$1.00 per page	G.7.A(2)(ii)
Hearing Audio Tape Duplication	\$25.00	G.4.E, G.7.A(3)
Returned Check Fee	\$35.00	G.4.E
Transcript of Hearing	½ transcription fee	G.7.A(3)

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APPENDIX H: COMMITTEE OPERATIONS MANUAL

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Appointment Process and Committee Formation

The incoming President and President-elect will select the Chairs, Vice-Chairs and members of the various committees and other organized bodies of the Association as per the requirements described in the Association 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 committee or related working group. Service on Standing Committees shall be concurrent with the Association's elective year. Committee chairs may not serve more than four consecutive years in the respective position. The President may remove and reappoint any committee chair, vice-chair or member.

Within ten days of appointment the committee members' names will be entered into the association database by staff to facilitate the creation of rosters. Notification letters will be sent to appointees, members who applied but were not appointed, and members currently serving who were not reappointed. Association staff will promptly report any declined appointments to the CEO who will communicate this information to the incoming President and President-elect. The notification letter will include information on the role of a volunteer and a copy of the Association Fiduciary Pledge (including the Antitrust, Confidentiality and Harassment Policies) that must be signed and returned before the committee appointment is final.

The staff liaisons will confirm that new committee chairs, vice-chairs, and members have been notified of appointments. Staff liaisons will schedule an initial Meet and Greet with the committee leadership. It shall be in person or by video conference call – this is an opportunity to discuss the committee's charge, objectives, goals, set the timeline, and operations going forward. (*See Sample Welcome Notification Letter, Attachment 2*) Once this has happened, the staff liaison will send a welcome email to the committee. This would be the first act of the Committee Leadership. This communication can be sent from the Chair to the committee or by the staff liaison on their behalf. The following information shall be sent to the newly appointed committee membership:

1. The Committee Charge;
2. Established goals for the year;
3. Meeting dates of the committee; and
4. Committee roster and any other onboarding materials necessary.

The CEO or staff member designated by the CEO to oversee governance and committee operations will be responsible for the timeliness of all notifications.

Role of the Committee Staff Liaison

Where the term “Committee” is used, it applies to all Committees, Sub-committees, Work groups and other organized bodies of the Association.

The role of the committee staff liaison is to act as a partner, advisor, and aide to the committee to which assigned, and to look to the committee leaders and members for practitioner/member high level vision and goals that can inform staff when creating strategy and structure to complete member impacting projects or initiatives. The committee 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 committee or organized body within the Association and should be familiar with the Association Bylaws, Strategic Plan, Policies and Procedures, committee minutes, budget, and committee operating procedures ([See Parliamentary Procedures Guide, Attachment 1](#)). Staff liaisons are expected to prepare and plan for effective meetings – set the meeting schedule, send meeting notifications, agendas with supporting documents, and minutes in a timely manner and solicit the advice of members regarding the committee goals and objectives.

As soon as practical, staff liaisons should schedule a meeting with the committee chair and vice chair to get acquainted and to specifically discuss/develop:

- Expectations
- Respective work styles
- Issues, initiatives and objectives the committee may consider
- Yearly calendar and plan of work
- Knowledge of the committee 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 Association Policy and Procedures Manual

During the committee year staff liaison should:

- Communicate with the committee chair and vice-chair on a regular basis
- Apprise them of any new issues; provide them with updates
- Solicit feedback

Staff Liaison Committee Meeting Preparation Responsibilities

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

Thirty (30) Days Prior

Notify all committee members via email of the dates, times, and locations to remind members to plan accordingly. All meeting dates will be on the Master Calendar and the Event Calendar on the association website. Staff liaisons will also send a calendar invite to the committee membership and any staff attending for the upcoming meeting. This will ensure meeting participants receive meeting updates (time changes, meeting materials, etc.) as the meeting nears.

When sending the group email notification, use the staff liaison's email address in the "to" field and the established committee e-mail group in the 'bcc' field. Include a salutation that identifies the group the e-mail is being sent to.

Prior to a meeting, send out a formal "meeting notification" to all committee members. **All communications are to be sent "On behalf of Chair _____."** No communication to any committee, group, the board or the delegate body should be sent without this opening statement before the salutation no matter how administrative or ministerial the email may seem to be. *(Amended 10/11/2017)* The notification should include time, date and location; advise if meal service will be provided; and, if applicable, expense reimbursement policies. Notify members if they can participate via Web-Ex or conference call, and include pertinent call-in information. *(See Sample 30 Day Meeting Notifications, Attachment 3)*

Ensure that meeting space is reserved whether in house or off site. Ensure that a meeting logistics form is completed and submitted to the Office Manager if the meeting is held onsite. This may include (but may not be limited to) room setup, food and beverage, audio visual equipment and handouts. Ensure that a video conference host has been reserved for all on site meetings or remote meetings of a committee.

Fifteen (15) Days Prior

Approximately fifteen days before the meeting, work directly with the committee 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 VR agenda template) and meeting materials. ([See Sample Meeting Agenda, Attachment 4](#))

The following items should be included with all agendas:

- Association Antitrust, Conflict of Interest, and Harassment Policies follow immediately after the agenda
- Copy of current committee roster
- Minutes of previous meeting for Committee approval
- Information and instructions for the video conferencing host

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

Ten (10) Days Prior

The final agenda and meeting materials should be sent at least 10 days in advance of the meeting. ([See Sample 10 Day Meeting Notification, Attachment 5](#))

Meeting Day

Meetings should begin and end on time; the staff liaison should monitor the time and alert the chairman. Staff liaisons are responsible for set up and administering the video conference equipment and program. A gavel and clock is provided to the chair to assist. All meetings are governed by *Robert's Rules of Order*. All committee meeting rooms should be set to the standard Committee Meeting Layout. ([See Committee Meeting Layout, Attachment 6](#))

Tent cards and handouts for all committee members are to be prepared by the staff liaison.

At each meeting, legal counsel or designated staff must review the VR Fiduciary Pledge and Anti-Trust Policy with all members in attendance. Additionally, the following information should be read to the Committee prior to tending to the first item of business. (*Amended 1/2/2017*)

Recording of meetings is not permitted. It is the policy of the Association to restrict the recording, by electronic means or otherwise, of any portion of any association

meeting. The recording of any portion of a meeting by a member of the Board or committee is contrary to the Fiduciary Oath – specifically the duties of care and loyalty which require maintaining the confidentiality of board and committee working documents. Also, a recording of any presentation at any event by a third party presenter may also amount to a violation of the U.S. Copyright Act of 1976 and other applicable federal, state or local laws.

At the beginning of each meeting, the Staff Liaison should document attendance through either a call of the roll, an attendee sign-in sheet, or a visual observation when feasible. Staff should notify the chair regarding quorum status.

Committees: A majority of respective committee members shall constitute a quorum at any meeting.

Board of Directors: A majority of all members of the Board shall constitute a quorum. *(VR Bylaws, Article VIII, Section 3(d))*

Delegate Body: To constitute a quorum, a majority of all Member Associations as well as a majority of all votes that may be cast (e.g., more than 50% of statewide REALTOR membership figure) must be represented by delegates at a meeting. *(VR Bylaws, Article VII, Section 4(b))*

RPAC Trustees: Nine members of the Board of Trustees shall constitute a quorum *(RPAC Bylaws, Article V, Section 4)*

The staff liaison is responsible for taking minutes of the meeting. Minutes should include only motions and action items. Minutes serve as the official record of the meeting. The private recording of meetings is prohibited. Motions should be as clear and succinct as possible. Remind the chairman to repeat the motion out loud before the vote is taken. If it is unclear, then it should be clarified **before** the voting. Only voting members of the committee are entitled to vote. The committee will primarily vote by voice. The chair will vote last if his/her vote would affect the outcome. The chair will announce the outcome of the vote based on the chair's determination of the voice vote. If the chair is unsure, the chair may ask for a show of hands. The staff liaison shall count the votes and confidentially report the count to the chair. 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). (Amended 1/2/2017)

All policy motions are presented to the Board of Directors for approval, amendment or referring back to the committee. ([See Report to the Board of Directors Document, Attachment 7](#))

Post Meeting

It is the staff liaisons responsibility to prepare draft minutes of the meeting for chair and committee 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 or not it was passed, amended, tabled, withdrawn or failed by a vote or for lack of a second should be recorded in the minutes. All minutes should be approved by the committee chair prior to being disseminated to the entire committee. The minutes approved by the committee chair shall be the official record of committee actions.

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 committee members within 10 days of the committee meeting. The staff liaison is responsible for maintaining electronic copies of all the committee minutes in the 'Minutes' folder on the shared drive of the VR server. ([See Sample Minutes, Attachment 8](#))

Committee Meeting Dates

All committee meeting dates will be established for the following year prior to the distribution of the Committee Applications each year. For example, all committee meeting dates for the 2017 Risk Management Committee will be set no later than May 2016. This will ensure that committee meetings are set eighteen (18) months out for interested member volunteers. Meeting dates will be published for interested volunteers to review prior to submitting an application. General meeting date guidelines for all committees are provided in this Appendix ([See Committee Meeting Dates Guidelines, Attachment 10](#)). A

committee may have additional meetings called by the chair when necessary. Staff liaisons should strive to meet all committee meeting dates to ensure proper planning of committee members' calendars and to maintain the committee operations budget. Once set, dates should be entered in the Association Master Calendar.

Video Conference Meetings

A video conference may take place in lieu of hosting an onsite face-to-face committee meeting throughout the year. For all committee meetings taking place at the Virginia REALTORS® Headquarters building, staff liaisons will offer committee members the option to participate via video conference. Video conferencing is not required for off-site meetings (i.e. meetings at Legislative Conference or the Annual Convention). A video conference host must be reserved through the Office Manager when reserving the meeting space and submitting a meeting logistics form. Once the video conference host has been reserved, you may incorporate the host instructions in your meeting notices and materials. See [Video Conference Instructions, Attachment 11](#), for more host credentials and instructions.

Attachment Content

1. Parliamentary Procedures
2. Sample Welcome Notification Letter
3. Sample 30 Day Meeting Notification
4. Sample Meeting Agenda Layout
5. Sample 10 Day Meeting Notification
6. VR Committee Meeting Layout
7. Report to the Board of Directors
8. Sample Minutes Layout
9. Workgroup Authorization Form
10. Virginia REALTORS® Video Conferencing User Instructions

Parliamentary Procedures:

The motions below are listed in order of precedence. Any motion can be introduced as a substitute to the motion before the committee if it is higher precedence motion than the pending motion. 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 BY A HIGHER PRECEDENT MOTION?	IS A SECOND REQUIRE D	CAN DEBATE OCCUR AFTER THE MOTION IS MADE?	VOTE REQUIRED FOR PASSAGE OF THE MOTION
End the meeting, force the meeting to end (sometimes used to end a chaotic meeting)	I move to adjourn	No	Yes	No	Majority
Pause the meeting	I move to recess for...(state time)	No	Yes	No	Majority
Bring up a comfort or privilege issue of extreme importance	I rise to a question of (or point) of privilege	Yes	No but Chair must either address the issue or rule it as not a privilege issue	No	None. Examples: Room is too hot, unauthorized attendee in room, audience too noisy, handout wasn't given to members
Make Chair enforce the rules	I rise to a point of order,	Yes (adjourn, recess or point of privilege)	No, Chair must hear the point and address the issue	No	None Example: debate is occurring when no debate is allowed
Postpone any further action on an issue	I move to lay the question on the table	No	Yes	No	Majority (can be taken back up from the table later with a majority vote)

Cut off additional debate	I move to call the question	No	Yes	No	2/3 (note: you must vote on this motion before voting on the original question)
Set a time limit to the debate	I move the debate be limited to...	No	Yes	No	2/3
Postpone a vote to a time certain	I move to postpone the motion to...	No	Yes	Yes	Majority
Move the matter to a different or sub-committee	I move to refer the motion/matter to...	No	Yes	Yes	Majority
Change the wording of a motion	I move to amend the motion	No	Yes	Yes	Majority
Kill a motion	I move that the motion be postponed indefinitely	No	Yes	Yes	Majority
Put a matter before the committee for a decision/Make a motion	I move that [or to]...	No	Yes	Yes	Majority

Committee Operation - The formality of the committee 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. Committee members should direct their comment to the Chair, not to other committee members. The Chair sets the tone of the meeting and determines how formal it should be, however, any committee member can further formalize the meeting through a "point of order" on a specific matter of procedure.

Parliamentary Procedures (Continued)

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). Example:

1. "Madam Chair?" (Chair recognizes the member) "Madam Chair I'd like to speak to this matter, or I'd like to make a motion". Chair gives the member permission to take the floor: "you may proceed". The member proceeds with the motion or statement (the purpose stated for seeking the floor). **A member should never give a speech and then make a motion. The member has the first privilege to speak to their motion once it is properly before the committee.**
2. "Madam Chair? (Recognition by the Chair), I'd like to ask the gentleman a question about his motion" Chair gives permission, "Could Mr. Jones explain to us what he meant by:" Mr. Jones then answers through the Chair "Madam Chair, what I meant was". The purpose of asking a question is for the answer to benefit the committee. There should not be a running dialogue between members or a member and witness absent the chair's control/involvement.

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 need to be considered.

The Chair can set the committee at ease when, for example, waiting for information or a speaker to arrive, as opposed to formally recessing the committee via a motion. The Chair can invite a motion "Do I hear a motion to adjourn?" When the Chair feels that debate no longer benefits the committee the chair can encourage the committee to shorten the discussion "we need to wrap this up now". If member's comments are no longer applicable to the matter before the committee the chair can rule the comments out of order "Mr. Smith, you are no longer speaking to the matter before us". Some Chairs have an arrangement with certain members to "call the question" when debate is no longer constructive.

Committees operate by motion. If there is no motion there is no action. The committee does not have to take action. Don't be afraid of silence. Let it kill the motion instead of encouraging a second just to then make a motion to kill it.

Parliamentary Procedures (Continued)

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 committee 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 vote last.

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

- Adjourn
- Recess
- Pass By (Pass By Indefinitely)
- Lay on the Table (or Remove from the Table)
- Pass By Temporarily (i.e. By for the Day)
- Carry Over
- Refer to Committee
- Adoption of amendments or substitutes
- Strike from the Docket
- Regular Business

Committee Voting By Electronic Mail (Amended 4/8/2015) – Committee voting that is otherwise required to be taken at a meeting of a committee may also be taken without a meeting and without prior notice by electronic mail, provided all committee members participate in the vote.

All committee members must include in the electronic mail vote the date of the vote and a description of the vote cast, signed electronically by the committee members entitled to vote. Electronic vote(s) shall be included in the minutes of the committee. Any committee vote taken by electronic mail from the members of the committee shall be effective the date of the electronic mail.

Committee Elections - In the matter of an election, votes should be by ballot and results shared privately with the chair by staff, the chair should then provide any tie breaking vote to the committee staff privately. Candidates should be privately informed of the outcome. In some organizations, the unsuccessful candidate is afforded the opportunity, before results are announced, to return to the committee, withdraw from the election and move the other candidate be elected by acclamation. "I would like to withdraw my candidacy and move that the committee elect Jane Smith by acclamation".

Parliamentary Procedures (Continued)

Quorum – In all meetings, unless otherwise provided in the VR 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 Welcome Notification Letter

Subject: Welcome! [Insert Year] [Insert Committee Title]

To: All Members of the [Insert Committee Title]

Welcome to the Virginia [Insert Committee Title]!

On behalf of Chair [Insert Chair Name], we are looking forward to working with you this year. Some of you will be joining us again after serving on [Insert Committee Title] last year, and some of you are new. Before the year gets into full swing, we want to take a moment to pass on some information that may be helpful to you as a [Insert Committee Title] Member. *(*please note meeting schedule below)*

1. **Committee Charge:** [Insert Charge from PPM]
2. **Virginia [Insert Committee Title] Roster:** Attached.
3. [Insert Year] [Insert Committee Title] **Schedule:** *(*please remember to mute your phones on conference call meetings to prevent background noise) (below are examples)*
 - **Friday, January 23 – 10:00 am to 4:00 pm *In-person at VR Headquarters**
 - Friday, February 6 at 11:30 AM - conference call (approx. 30 minutes)
 - **Tuesday, February 10 – 1:00 pm to 3:00 pm - *In-person at Legislative Conference**
 - **Wednesday, August 26 – 10:00 am to 3:00 pm *In-person at VR Headquarters**
 - ***HOLD – October 6-9 (Annual Meeting at Convention in Williamsburg)**

Your [Insert Year] Virginia [Insert Committee Title] Chair is [Insert Chair Name]: [Insert Email]

Your [Insert Year] Virginia [Insert Committee Title] Vice Chair is [Insert Vice-Chair Name]: [Insert Email]

And your Staff Liaison is [Insert Liaison Name]: [Insert Email]

Please feel free to contact us with any questions or concerns you may have. Again, we look forward to working with all of you this year!

[Signature Line]

Sample 30 Day Meeting Notification

Attachment 3

Subject: MEETING NOTIFICATION: [Insert Committee Title] Meeting, [Insert Day, Month, Date, and Year of Meeting] – Example: Wednesday, June 11, 2014]

To: All Members of the [Insert Committee Title]

Cc: Association Staff

To All Members of the [Insert Committee Title],

On behalf of Chair [Insert Chair Name], see details below for the next [Insert Committee 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. *Feel free to contact me if you have any questions or concerns.*

When

Wednesday, June 11, 2014 [Change time and date]
12:30 p.m. – 3:00 p.m.

Where

Virginia REALTORS® [Change location if necessary]
10231 Telegraph Road
Glen Allen, VA 23059

Respectfully,

[Signature Line]

Sample Meeting Agenda Layout

Attachment 4

AGENDA

Virginia REALTORS® Boards of Directors

12:30 p.m. – 3:00 p.m.

Wednesday, June 11, 2014

Virginia REALTORS® Headquarters

Glen Allen, VA

Jay Mitchell, *President*

Beckwith Bolle, *President-Elect*

- 12:30 p.m. Call to Order – *Jay Mitchell, President (15 min)*
Pledge of Allegiance – *Adam Smith, Director of Governance*
Invocation – *Virgil Frizzell, Member*
Attendance (*Taken by observation.*)
Antitrust / Fiduciary Pledge – *Jim Hopper, Association General Counsel*
- 12:45 p.m. Welcome – President/Leadership Team Report – *Jay Mitchell, President (15 min)*
- 1:00 p.m. Executive Officer Report to the Board – *Terrie Suit, CEO (15 min)*
- 1:15 p.m. Core Standards – *Terrie Suit, CEO (45 min) (ITEM 1, pp. 1– 43)*
- 2:00 p.m. Treasurer Report – *Pat Sury, Treasurer (15 min)*
(Action item)
- 2:15 p.m. Consent Agenda – *Brad Boland, President (5 min) (ITEM 2, pp. 44 - 52)*
(a) April 9, 2014 Meeting Minutes
(b) April 30, 2014 Financial Statements
(c) April 30, 2014 Membership Report
(Action item)
- 2:20 p.m. Standing Committee Reports (*10 min per report*)
(a) Information Management Committee – *Stacy Ricks, Committee Liaison*
(b) Professional Development Committee – *Katrina Smith, Committee Chair*
(c) Risk Management Committee – *Erika Almstead, Committee Liaison*
(d) Public Policy Committee – *Martin Johnson, Committee Liaison*
- 3:00 p.m. Adjournment

[All agendas must have the Antitrust, Conflict of Interest and Harassment Policies and minutes from previous meeting attached.]

Sample 10 Day Meeting Notification

Attachment 5

Subject: MEETING AGENDA: [Insert Committee Title] Meeting, [Insert Day, Month, Date, and Year of Meeting] – Example: Wednesday, June 11, 2014]

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

To: All Members of the [Insert Committee Title]

Cc: Association Staff

To All Members of the [Insert Committee Title],

On behalf of Chair [Insert Chair Name], please be prepared to discuss the attached agenda and details for the [Insert Committee Title] meeting scheduled for [Insert Meeting Date and time]. 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. *Feel free to contact me if you have any questions or concerns.*

When

Wednesday, June 11, 2014 [Change time and date]

12:30 p.m. – 3:30 p.m.

Where

Virginia REALTORS® [Change location if necessary]

10231 Telegraph Road

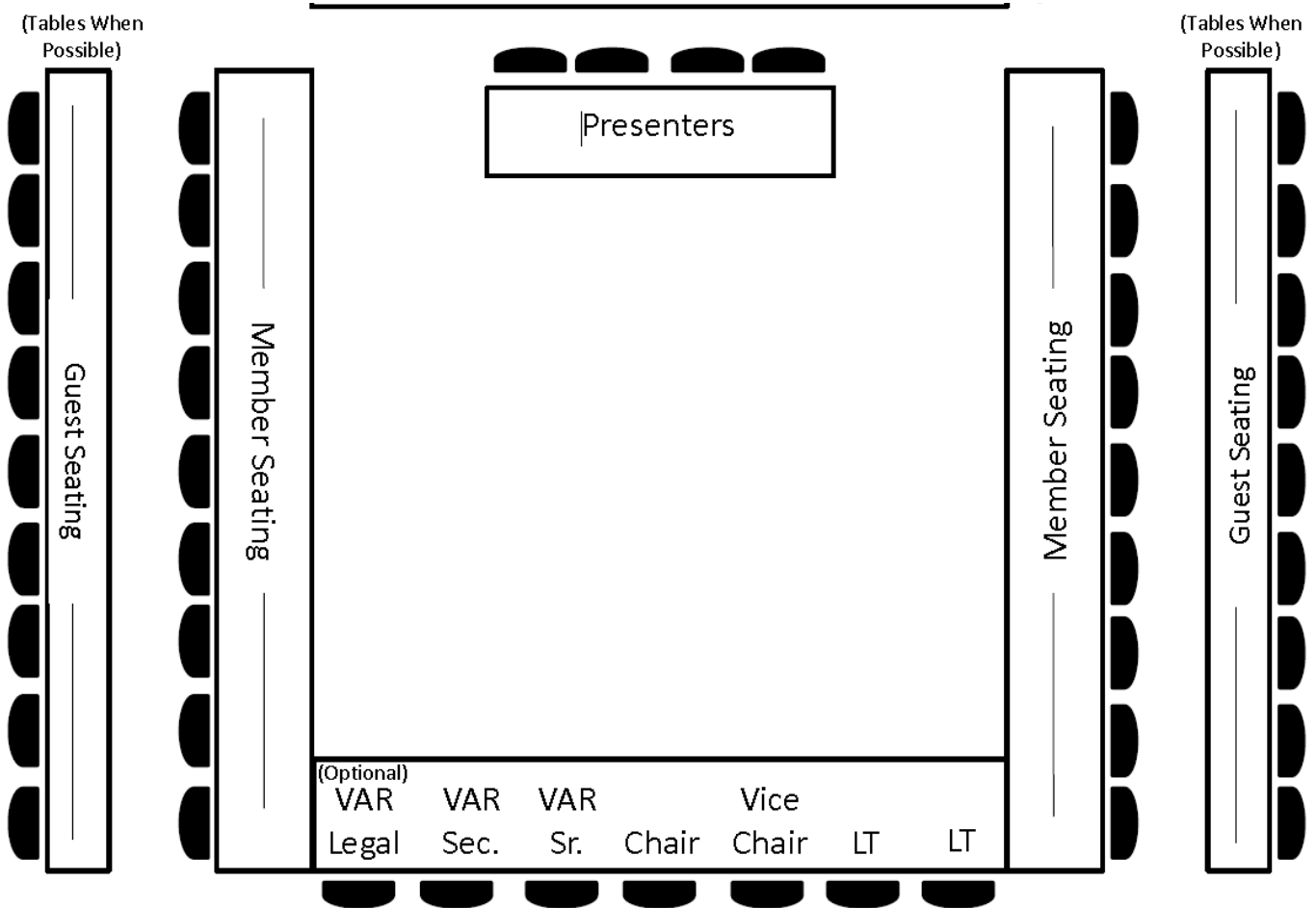
Glen Allen, VA 23059

Respectfully,

[Signature Line]

Virginia REALTORS® Committee Meeting Layout

Attachment 6



(FOR BOARD OF DIRECTORS MEETINGS ONLY – STAFF IS TO SIT IN ROW BEHIND LEADERSHIP TEAM)

Report to the Board of Directors Document

Attachment 7

[Name of Work Group] [Date]

Charge of Committee/Work Group: [Insert Committee Charge associated with request]

Members of the Committee/Work Group: [Insert volunteer members]

PURPOSE OF REPORT

This section should contain the purpose for the report. Is it meant to identify and communicate recommended changes to the current bylaws? Something else?

PROBLEM STATEMENT/BACKGROUND INFORMATION

This section should contain background information related to the issue or the reason(s) that recommended changes or new actions are being proposed. Paint the picture, set the stage, etc.

ACTIONS COMPLETED TO DATE

In narrative form, include the actions that occurred that preceded the recommendation/report coming to the board (i.e. meetings held, etc). This should include meetings that have occurred, any outside groups or individuals that were consulted with, etc.

RECOMMENDATION/REPORT

Make sure this section is successful by ensuring the following:

- The recommendation is stated clearly and is unambiguous
- A detailed impact analysis has occurred and is included in the report
- All implications have been considered
- The recommendation has been examined for its unintended consequences
- Decisions are accurately and unambiguously described

OTHER OPTIONS CONSIDERED

In this section, please describe any alternative options that may be considered. This section should show all the options that were under consideration.

SUPPORTING INFORMATION

Add here any supporting information, such as comments, charts, tables, documents, or diagrams that will assist in understanding the problem and recommendations.

Sample Minutes Layout

Attachment 8

MINUTES

Virginia REALTORS® Board of Directors

12:30 p.m. –3:00 p.m.

Wednesday, June 11, 2014

Virginia REALTORS® Headquarters

Glen Allen, VA

Presiding: Brad Boland, President

CALL TO ORDER

The meeting was called to order at 12:30 p.m. by President Mitchell. In attendance were.... [Insert members in attendance]. The Pledge of Allegiance was led by Adam Smith. The Invocation was given by Virgil Frizzell. Jim Hopper, Association General Counsel, presented to the Directors the Fiduciary and Antitrust Policy Statements. The Leadership Report was provided by President Mitchell.

2014 TREASURER REPORT

MOTION: To allocate \$45,000 in order to fund a Core Standards Summit for state and local leadership.

MOTION PASSED.

CONSENT AGENDA

MOTION: To accept the consent agenda that included the minutes of the April 9, 2013 meeting, the April 30, 2014 Financial Statements and April 30, 2014 Membership Report as presented.

MOTION PASSED.

ADJOURNMENT

The meeting was adjourned at 4:30 p.m.

**Save the date for the next BOD Meeting: October 7th, 2014 at the Virginia REALTORS® Convention in Virginia Beach.

[All minutes should have the meeting agenda and agenda items attached to the minutes.]

Workgroup Authorization Form

Attachment 9

WORK GROUP INFORMATION		DATE SUBMITTED:	Thursday, April 05, 2018
Requesting Organization			
Requesting Chair			
Proposed Name of Requested Group			
Proposed Chair:			
Submitted by			Contact Extension
SPACE REQUESTED			
Names of Proposed Members (list)			
Proposed Charge			
Other Committees Impacted			
Timeline			
IMPACT			
Fiscal/Cost Impact (Meeting space, conference line or WebEx cost, est. cost for meeting materials, paid speakers, food service etc.)			
Staff/Resource Impact (Estimated number of staff hours for Staff Liaison and other support staff to conduct research, prepare for meetings, compose meeting materials, set up meeting space, coordinate meeting dates, and coordinate food service, attend and staff meetings, send out materials after meeting, conduct follow up work and research as a result of meetings etc.)			
INITIAL/COMMENTS (EACH PERSON BELOW MUST INITIAL. PLEASE ADD COMMENTS AS NECESSARY.)			
Association Impacted Department Head Comment	Initial/Comments		
Association General Counsel Legal Review Comment	Initial/Comments		

Committee Operations Manual



Finance/ Administration Chief Review Comment	Initial/Comments
CEO Review Comment	Initial/Comments
President Comment	Initial/Comments
<input type="checkbox"/> Approved <input type="checkbox"/> Denied	

Virginia REALTORS® President Signature

Virginia REALTORS® CEO Signature

Virginia REALTORS® Video Conferencing User Instructions

Be sure to reserve a video conferencing host from the Office Manager.

Scheduling:

There are two always-available Blue Jeans rooms. The rooms are called Video Primary and Video Secondary. There is a corresponding Outlook calendar for each. Make sure you find and add them to your calendars in Outlook. These are to be booked the same way you reserve conference call lines. Dawn will approve your booking based on availability.

FOR PRIMARY CONFERENCE

Instructions for Joining Remotely

Below are the links to click to join the meeting; instructions are straightforward. You can join the meeting through the web browser without downloading the software or you can download the app. Once you are setup, make sure to click "I'm Ready" to join the meeting.

To join the Meeting (through downloadable program):

<https://bluejeans.com/3666613304>

To join via Web Browser:

<https://bluejeans.com/3666613304/browser>

To join with Lync:

<https://bluejeans.com/3666613304/lync>

To join via Room System:

Video Conferencing System: bjn.vc -or- 199.48.152.152

Meeting ID: 3666613304

To join via Phone:

1) Dial:

+1.408.740.7256

+1.888.240.2560(US Toll Free)

+1.408.317.9253(Alternate number)

(see all numbers - <http://bluejeans.com/numbers>)

2) Enter Conference ID: 3666613304

Additional instruction for joining a video call is provided here:

<https://bluejeans.app.box.com/JoinFromBrowser>

Want to test your video connection?

<http://bluejeans.com/111>

FOR SECONDARY CONFERENCE

Instructions for Joining Remotely

Below are the links to click to join the meeting; instructions are straightforward. You can join the meeting through the web browser without downloading the software or you can download the app. Once you are setup, make sure to click "I'm Ready" to join the meeting.

To join the Meeting (through downloadable program):

<https://bluejeans.com/3666613303>

To join via Web Browser:

<https://bluejeans.com/3666613303/browser>

To join with Lync:

<https://bluejeans.com/3666613303/lync>

To join via Room System:

Video Conferencing System: bjn.vc -or- 199.48.152.152

Meeting ID: 3666613303

To join via Phone:

1) Dial:

+1.408.740.7256

+1.888.240.2560(US Toll Free)

+1.408.317.9253(Alternate number)

(see all numbers - <http://bluejeans.com/numbers>)

2) Enter Conference ID: 3666613303

Additional instruction for joining a video call is provided here:

<https://bluejeans.app.box.com/JoinFromBrowser>

Want to test your video connection?

<http://bluejeans.com/111>



10231 Telegraph Road, Glen Allen, Virginia 23059
Telephone 804-264-5033 • www.virginiarealtors.org

APPENDIX I: MEMBER RECOGNITION POLICY

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Awards Selection Committee

The Virginia REALTORS® (VR) Awards Selection Committee, as described in the VR Policy and Procedures Manual, shall follow the guidelines below for the selection of VR members for awards and recognitions.

General Submission Guidelines

The general submission guidelines for the Code of Ethics Leadership Award, VHDA Service to Virginia Award, Appraiser of the Year, George Rink Outstanding Educator of the Year, Ann Swearingen Property Manager of the Year, and the Virginia Manager of the Year shall be as follows:

1. The nominee should be a qualified individual who has had an impact on the local and state level. Previous nomination will not affect nominees' consideration for this award.
2. Nominations may be submitted by individuals, firms, brokers/managers, and by local associations.
3. Letters of recommendation and other supporting documentation, including resumes, news stories, etc., is encouraged, but not required, and will be considered as part of the application.
4. Online form submission is the required application format.
5. Criteria for nominating your candidate may be for current year accomplishment and/or for any period up to the previous ten (10) years.
6. All awards are scaled on a 100-point system, with each section given part of the total value as outlined in the application. A minimum of 75 points must be awarded for the nominee to be eligible to receive the award.
7. Previous winners of award are not eligible.
8. Applications must be fully completed at time of submission in order to be considered for selection.
9. Entries must be received by a submission deadline as determined by association staff in consultation with the Chair of the Awards Selection Committee.

Code of Ethics Leadership Award

The Code of Ethics Leadership Award is presented to an individual REALTOR® member who exhibits leadership and knowledge of the REALTOR® Code of Ethics, arbitration and/or professional standards, and who is known to share such information with other real estate professionals; has made presentations on Ethics before nominee's own association, other associations, or before civic and community groups; and who has participated in local, state, or national association grievance, professional standards, arbitration, or ethics related activities; has taught courses in REALTOR® ethics, either fee paid or voluntary.

The criteria for the Code of Ethics Leadership Award will be asked for and scored as follows:

- **Part 1:** Teaching and instructing
- **Part 2:** Service to the REALTOR® organization
- **Part 3:** Professional development

VHDA Service to Virginia Award

The VHDA Service to Virginia Award is presented to a REALTOR® individual who has made a significant difference in the cause of minority home ownership during the year, or whose life work merits recognition and celebration for dedication to this issue.

The criteria for the VHDA Service to Virginia Award will be asked for and scored as follows:

- **Part 1:** Achievements in the area of minority home ownership
- **Part 2:** Service to the REALTOR® organization
- **Part 3:** Business accomplishments and community service

George Rink Outstanding Real Estate Educator Award

The George Rink Outstanding Real Estate Educator Award is presented to the Virginia REALTOR® educator who has made the most significant contributions to and exemplified leadership and service in real estate education at either the local or state level.

The criteria for the George Rink Outstanding Real Estate Educator Award will be asked for and scored as follows:

- **Part 1:** Teaching and instructing
- **Part 2:** Curriculum and course development
- **Part 3:** Authorship
- **Part 4:** Service to the REALTOR® organization
- **Part 5:** Professional development

Appraiser of the Year

The Appraiser of the Year Award is presented to the Virginia REALTOR® who has made notable contributions to the field of appraisal and the association on both the local and state level, including support of appraisal activities and dedication to the advancement of the appraisal profession.

The criteria for the Appraiser of the Year Award will be asked for and scored as follows:

- **Part 1:** Service to the REALTOR® organization
- **Part 2:** Community service
- **Part 3:** Appraisal profession advancement activities

Ann Swearingen Property Manager of the Year Award

The Ann Swearingen Property Manager of the Year Award is presented to the industry's highest achieving association members engaged in the field of residential property management.

The criteria for the Ann Swearingen Property Manager of the Year Award will be asked for and scored as follows:

- **Part 1:** Contributions to the field of property management
- **Part 2:** Service to the REALTOR® organization
- **Part 3:** Professional development
- **Part 4:** Business accomplishments and community service

Virginia Manager of the Year Award

The Virginia Manager of the Year Award is presented to a Virginia broker/manager recognizing individual achievement as a broker/manager.

The criteria for the VAR Manager of the Year Award will be asked for and scored as follows:

- **Part 1:** Management innovation, creativity, and originality
- **Part 2:** Service to the REALTOR® organization
- **Part 3:** Commitment to personal and associate education/professional development
- **Part 4:** Business accomplishments and community service

Virginia REALTOR® Hall of Fame

The Virginia REALTOR® Hall of Fame honors Virginia REALTORS® who have made extraordinary and distinguished contributions to the real estate profession and markets in Virginia over a period of at least 25 years.

Method of Selection

The Virginia REALTOR® Hall of Fame method of selection shall follow these guidelines:

1. Lobbying for the nominee by his/her local board or any individual is improper and may disqualify the nominee, at the discretion of the Awards Selection Committee, appointed by the president.
2. Members of the Awards Selection Committee will come to a majority decision on the inductees.
3. No more than three inductees may be chosen in any given year.

General Submission Guidelines

The general submission guidelines for the Virginia REALTOR® Hall of Fame shall be as follows:

1. The nominee should be a qualified individual who has been actively involved in two of the three levels of the REALTOR® organization (local, state, national) and must be recognized as a leader in the real estate profession in his/her community. Nominee must have contributed significantly to

the real estate profession in the Commonwealth of Virginia. Previous nomination will not affect nominees' consideration for this award.

2. Nominations may be submitted by individuals, firms, brokers/managers, and by local associations, but not by the nominee themselves.
3. Letters of recommendation and other supporting documentation, including resumes, news stories, etc., are encouraged, but not required, and will be considered as part of the application.
4. Online form submission is the required application format.
5. Nominee must have had at least 25 years of continuous service as a member of the Virginia Association of REALTORS®.
6. Nominee may be a living or deceased member of the association.
7. For any VAR Past President to be considered for the VAR Hall of Fame induction, at least five (5) years must have lapsed since he/she served as the state association president.
8. Entries must be received by a submission deadline as determined by VAR staff in consultation with the chair of the Awards Selection Committee.

Nomination Application

The Virginia REALTOR® Hall of Fame nomination form will include, at a minimum, the following:

1. Please describe how the nominee has helped enhance the professionalism of Virginia REALTORS®.
2. Please describe any extraordinary demonstrations of leadership and/or contributions the nominee has made to improve the real estate profession in Virginia and/or the quality of life in his or her state or community.
3. Please describe the leadership positions the nominee has held in the local, state, and national REALTOR® associations.
4. Please describe nominee's educational background.
5. Please list the firms in which the nominee has held a license (firms and approximate years of service).

Virginia REALTOR® of the Year Award

The Virginia REALTOR® of the Year Award is presented to professionals who have made proven contributions to the real estate industry through both personal and professional achievement and outstanding volunteerism.

Method of Selection

The Virginia REALTOR® of the Year Award method of selection shall follow these guidelines:

1. Lobbying for the nominee by his/her local board or any individual is improper and may disqualify the nominee, at the discretion of the Awards Selection Committee, appointed by the president.
2. The Awards Selection Committee shall include the most recent (previous year's) Virginia REALTOR® of the Year.

General Submission Guidelines

The general submission guidelines for the Virginia REALTOR® of the Year Award shall be as follows:

1. The nominee should be a qualified individual who has had an impact on the local and state level. Previous nomination will not affect nominees' consideration for this award.
2. Nominations may be submitted by individuals, firms, brokers/managers, and by local associations.
3. Letters of recommendation and other supporting documentation, including resumes, news stories, etc., is encouraged, but not required, and will be considered as part of the application. Nominations from local REALTOR® of the Year recipients may be submitted to supplement the VAR nomination form if criteria are equivalent to the Virginia REALTOR® of the Year criteria.
4. Online form submission is the required application format.
5. Criteria for nominating your candidate may be for current year accomplishment and/or for any period up to the previous ten (10) years.
6. Previous winners of this award are not eligible.
7. All VAR awards are scaled on a 100-point system, with each section given part of the total value as outlined in the application.
8. Entries must be received by a submission deadline as determined by VAR staff.

Nomination Criteria

The criteria for the Virginia REALTOR® of the Year Award will be asked for and scored as follows:

- **Part 1:** Service to the REALTOR® organization
- **Part 2:** Community service

Omega Tau Rho Award

Created in 1950, the honorary fraternity of OMEGA TAU RHO is awarded by state and local Associations of REALTORS® to members and others who serve the REALTOR® organization. Once a medallion is awarded, the recipient is a member for life. This award recognizes exemplary dedication and service, and the high esteem in which recipients are held by fellow members of the REALTOR® organization.

Method of Selection

Presentation of OTR Medallion is at the discretion of the State Association, and will occur during the VAR October Convention. State Association staff will review nominations to ensure the award criteria are met.

Award Criteria

The nominee for the Omega Tau Rho Award must meet one of the following:

- Director-at -Large of the National Association of REALTORS®
- Regional Vice-President of the National Association of REALTORS®
- Executive Committee of the National Association of REALTORS®
- Finance Committee of the National Association of REALTORS®

- President of a State Association
- Reciprocal Director to a foreign affiliate
- President of the National Association of REALTORS®
- First Vice President of the National Association of REALTORS®
- Treasurer of the National Association of REALTORS®
- REALTOR® of the Year of a State Association
- REALTOR® Emeritus of the National Association of REALTORS®
- Chairman of Standing Committees of the National Association of REALTORS®
- Honorary Members as named by the Executive Committee and approved by the Board of Directors of the National Association of REALTORS®
- Elected National Officers of affiliated Institutes, Societies, and Councils (contact individual affiliate for specific guidelines)
- Governors/Directors of affiliated Institutes, Societies, and Councils (contact individual affiliate for specific guidelines)
- Local Board or State Association Executive Officers who have served 10 or more years
- Local Board or State Association staff who have served 10 or more years
- Comptroller or General Counsel of a local Board or State Association with 10 years of service.

Virginia REALTORS® Honor Society

The VAR Honor Society rewards and encourages participation in leadership and educational activities of the local, state and national REALTOR® organizations.

Method of Selection

Certification is at the discretion of the State Association. State Association staff will review all applications to ensure the award criteria are met. Submission for this award is due in April of each year. A minimum of 100 points total, 30 of which must be state association activity and attendance at ANY professional standards class are required to qualify for membership in the Virginia REALTORS® Honor Society.

The Honor Society certificate will be sent to the local association for presentation in early June.

Award Criteria

The application for the Virginia REALTORS® Honor Society shall be reviewed by the Local Association President or Association Executive prior to being submitted to the State Association. The award criteria are displayed and provided to REALTOR® Members as follows (See Honor Society Form on next page).

Member Recognition Policy



Virginia REALTORS® Honor Society

20__ Official Nomination Form

Qualification Period: January 1–December 31, 20__

Submission Deadline: _____

Nominee's Name to Appear on Certificate _____

Local Association _____

IMPORTANT: A minimum of 100 points total, 30 of which must be state association activity and attendance at ANY professional standards class are required to qualify for membership in the Virginia Association of REALTORS® Honor Society.

STATE ASSOCIATION ACTIVITY 20__		NATIONAL ASSOCIATION ACTIVITY 20__			
Meetings:		Meetings:			
Legislative & Education Conference	10 _____	Annual Convention	20 _____		
Annual Convention	20 _____	Mid-Year Meeting	10 _____		
REALTOR® Day on the Hill	10 _____	International Meeting	10 _____		
Broker/Manager Events (10 pts. Each/ 20 pt. MAX)	10 _____	Leadership:			
Association Management/Leadership Conference	10 _____	Director	20 _____		
Virginia Leadership Academy	10 _____	Regional Vice President	20 _____		
State Leadership:		Committee /Forum Chair or Vice-Chair	10 _____		
Officer	50 _____	Committee/Forum Member (10 pts. each/ 30 pts. MAX)	_____		
Board of Directors Member	20 _____	NATIONAL ASSOCIATION ACTIVITY 20__ TOTAL			
Delegate Body Member	20 _____	_____			
RPAC or Foundation Trustee	20 _____	EDUCATION ACTIVITY 20__			
Committee/Working Group Chair or Vice-Chair	20 _____	Local, state, national real estate related courses (10 pts. each/ 10 pt. MIN/ 20 pt. MAX)			
Committee/Working Group Member (5 pts. each/15 pt. MAX)	_____	Lecturing, instructing (Voluntary only, 10 pts. per hour/ 20 pt. MAX)			
State Affiliate Chapter President	20 _____	EDUCATION ACTIVITY TOTAL			
State REALTOR® of the Year Award*	35 _____	NAR DESIGNATIONS HELD IN 20__			
State Code of Ethics Leadership Award*	35 _____	ABR	10 _____	ABRM	10 _____
State Educator of the Year Award*	35 _____	ALC	10 _____	ARM	10 _____
State Manager of the Year Award*	35 _____	At Home w/ Diversity	5 _____	CCIM	10 _____
State Affiliate Chapter of the Year Award*	35 _____	CIPS	10 _____	CPM	10 _____
VHDA Service to Virginia Award*	35 _____	CRB	10 _____	CRE	10 _____
Virginia Special Interest Group Award*	35 _____	CRS	10 _____	e-Pro Cert	5 _____
Virginia 5 Year Honor Society Pin Recipient	5 _____	GAA	10 _____	GRI	10 _____
Virginia 10 Year Honor Society Pin Recipient	10 _____	LTG	10 _____	PMN	10 _____
*(Points for awards apply to awards given WITHIN the past 5 years.)		RAA	10 _____	SRES	10 _____
STATE ASSOCIATION ACTIVITY 20__ TOTAL (Min 30 points)		Other NAR-Recognized Designation			
_____		10 _____			
LOCAL ASSOCIATION ACTIVITY 20__		DESIGNATIONS TOTAL (30 pt. MAX)			
Meetings:		INSTITUTES, SOCIETIES & COUNCILS MEMBERSHIP			
Local annual meeting or installation	5 _____	ASREC (American Society of Real Estate Counselors)			
Leadership:		FIABCI (International Society)			
Association President	25 _____	IREM (Institute of Real Estate Management)			
Officer (other than president)	15 _____	RLI (REALTOR® Land Institute)			
Local Association Director	15 _____	RNMI (REALTOR® Nat'l. Marketing Institute)			
Local Committee Chairman (10 pts. each)	_____	SIOR (Society of Industrial & Office REALTORS®)			
Local Committee Member (5 pts. each/15 pts. MAX)	_____	WCR (Women's Council of REALTORS®)			
Local REALTOR® of the Year Award*	30 _____	CIREI (Commercial Investment R.E. Institute)			
Local Award Recipient*	20 _____	Other			
Local Affiliate Chapter President	10 _____	INSTITUTES/SOCIETIES MEMBERSHIP TOTAL			
LOCAL ASSOCIATION ACTIVITY 20__ TOTAL		_____			
LOCAL FAIR SHARE RPAC CONTRIBUTOR		TOTAL NUMBER OF POINTS EARNED			
10 _____		_____			



10231 Telegraph Road, Glen Allen, Virginia 23059
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APPENDIX J: NATIONAL ASSOCIATION OF REALTORS® CODE OF CONDUCT AND SEXUAL HARASSMENT

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. Offensive behavior not only impedes the effectiveness of the joint efforts but can also create exposure to legal liability.

The National 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, joke of a sexual nature, sexual propositions, and 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.



APPENDIX K: OMBUDSMAN PROGRAM

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A Definition of Ombudsman for REALTORS®

The ombudsman program in its simplest definition is an informal telephone dispute resolution process.

In some cases it can address and resolve minor complaints from the public.

It can also resolve inter-REALTOR® conflicts before they become serious problems.

An ombudsman is not an adjudicator, and therefore does not make decisions.

An ombudsman helps parties find resolutions.



VR Ombudsman Program Overview

Introduction

Boards and associations of REALTORS® are charged by the National Association of REALTORS® with the responsibility of receiving and resolving ethics and arbitration complaints. This obligation is carried out by Grievance Committees and Professional Standards Committees.

Many complaints received by associations do not expressly allege violations of specific articles of the REALTOR® Code of Ethics, and many do not detail conduct related to the Code. Some complaints are actually transactional, technical, or procedural questions that could be readily responded to.

Many ethics complaints might be averted with enhanced communications and initial problem-solving capacity at the local level. The Ombudsman Program (the "Program") is intended to provide that capacity.

Additionally, many arbitration cases may be of an amount that is too low for the association to consider, or would not be an arbitrable matter. The Program is intended to assist parties in achieving a resolution.

Participation in the Ombudsman Program is entirely voluntary.

The VR Ombudsman Program

An association will either be a "Participating Local" or a "Non-Participating Local" based on whether it has joined the VR Ombudsman Cooperative. Participating Locals authorize the Ombudsman Cooperative to administer all ombudsman cases that would ordinarily be in the jurisdiction of that local association.

There will be an enrollment period from September 30 until November 30 of each year, during which Non-Participating Locals may join the VR Ombudsman Cooperative and Participating Locals may continue for the following calendar year of service. VR may allow additional enrollments and withdrawals at other times on terms determined at its sole discretion.

Joining the VR Ombudsman Cooperative is voluntary. Local associations that do not have an ombudsman program must either join the VR Ombudsman Cooperative or outsource those responsibilities to a competent neighboring association.

Participating Locals will execute a VR Statewide Ombudsman Cooperative Enforcement Agreement (See Attachment # 1), agreeing to abide by VR's Policies and Procedures Manual ("PPM") as well as any additional policies and procedures as necessary for the administration of the VR Ombudsman Cooperative program as a condition of participation.

Role of Ombudsmen

An Ombudsman's role is primarily one of communication and conciliation, not adjudication. Ombudsmen do not determine whether ethics violations have occurred; rather, they anticipate, identify, and resolve misunderstandings and disagreements before matters ripen into disputes and possible charges of unethical conduct. In arbitration matters, Ombudsmen do not determine who is entitled to money or who is the procuring cause; rather, they assist the parties in reaching a

resolution that is satisfactory to both, as opposed to arbitration where one party might be awarded the entire amount.

Qualification and criteria for Ombudsmen

Ombudsmen must be thoroughly familiar with the REALTOR® Code of Ethics, state real estate regulations, and current real estate practice. Previous mediation training is preferred, but not required. Ombudsmen are experienced REALTOR® members acting on behalf of VR with a minimum of three (3) years' experience as a REALTOR®. Ombudsmen will attend mandatory training and serve a 2 year term, and may be appointed for subsequent terms. The Chair of the Professional Standards Committee, makes appointments of VR Ombudsmen based upon recommendation from the Education Subcommittee, who serve without compensation. REALTORS® seeking appointment as an Ombudsman must submit an interest form (see Attachment 8) detailing their experience and qualifications.

Involving the Ombudsman

There is considerable latitude in determining how and when Ombudsmen will be utilized. For example, Ombudsmen can field and respond to a wide variety of inquiries and complaints, including general questions about real estate practice, transaction details, ethical practice, and enforcement issues. Ombudsmen can also receive and respond to questions and complaints about members; can contact members to inform them that a client or customer has raised a question or issue; and can contact members to obtain information necessary to provide an informed response.

In cases where an Ombudsman believes that a failure of communication is the basis for a question or complaint, the Ombudsman can arrange a teleconference meeting of the parties and assist in facilitating a mutually acceptable resolution.

Where a written Request for Ombudsman is received by VR or by a local association participating in the VR Statewide Ombudsman Cooperative program ("Participating Local"), with the consent of the Complainant, it can be referred by the Ombudsman Program Administrator ("Program Administrator") to the Ombudsman initially who will attempt to resolve the matter, except that complaints alleging violations of the public trust (as defined in Article IV, Section 2 of the NAR Bylaws) may not be referred to an Ombudsman. In the event that the Request for Ombudsman is received in the appropriate form by VR involving a member of a Non-Participating Local, the VR Ombudsman Program Administrator will immediately forward such Request to either the Ombudsman Program Administrator or Association Executive of the Non-Participating Local of the member.

In the event the Ombudsman concludes that a potential violation of the public trust may have occurred, the ombudsman process shall be immediately terminated, and the parties shall be advised of their right to pursue a formal ethics complaint; to pursue a complaint with any appropriate governmental or regulatory body; to pursue litigation; and/or to pursue any other available remedy.

In the event that the Ombudsman is unable to resolve the complaint, the Complainant will be notified to proceed with the written ethics complaint and the case will be returned to the Participating Local for compliance with the NAR CEAM.

No liability of Ombudsman or VR; subpoenas and testimony

Neither the REALTORS® acting as Ombudsmen nor VR or any Participating Local, shall be civilly liable in tort, contract, or otherwise, for any act or omission done or made while engaged in efforts to assist or facilitate a resolution under the Program.

Neither the REALTORS® acting as Ombudsmen nor VR shall be civilly liable for the disclosure of any confidential information or communication, whether written or oral, unless there is clear and convincing evidence that the disclosure was made in bad faith, with malicious intent, or in a manner exhibiting a willful, wanton disregard of the rights, safety or property of another.

The participants in the Program understand and agree that all documents of any nature submitted or otherwise developed during the Program will be permanently destroyed upon the conclusion of the matter in dispute. Notwithstanding the preceding, neither the Ombudsman nor VR shall be required to submit to subpoena, deposition, or other judicial, administrative, or regulatory requirement to appear and give testimony or provide documents relating to any matters occurring during the Program.

The above limitations and immunities shall apply to the officers, directors, employees, agents, representatives and attorneys of the brokerage company of the REALTOR® acting as Ombudsman, and to the officers, directors, employees, agents, representatives and attorneys of VR.

Confidentiality of written or oral communications

All communications made to the Ombudsman or VR under the Program, whether written or oral, shall be confidential and may not be disclosed to any other person for any reason without the prior permission of the parties. Apparent violations of the public trust are not subject to this confidentiality requirement.

Statements, memoranda, work product, documents and other materials that were prepared for (otherwise subject to discovery) any legal action, mediation, arbitration, or during participation in the Program, shall be absolutely confidential and may not be disclosed to any other person through subpoena, deposition, or other such judicial or quasi-judicial or administrative proceeding.

Admissibility and disclosure of communications and agreements in subsequent adjudicatory proceedings; exceptions

Written or oral communications that are confidential under the Program shall not be admissible as evidence in any adjudicatory proceeding, whether in court, arbitration, administrative and regulatory, including but not limited to any arbitration or ethics hearings administered by VR or any Virginia Real Estate Board ("VREB") proceeding, unless those communications were independently discovered before or after the program.

Nothing contained in these procedures shall be construed to prohibit the parties from jointly agreeing to the disclosure or admissibility of documents or information that is otherwise deemed confidential. Additionally, any party, REALTOR®, or the company with which they are associated, the Ombudsman, or VR, may use confidential information in any adjudicatory proceeding, whether in court, arbitration, administrative and regulatory, including but not limited to any arbitration or ethics hearings administered by VR or any VREB proceeding, in defending any action or claim brought against them that relates to any of the services, functions, or other events arising during the Program, to the extent necessary to defend themselves.

Ombudsman Program Administrator

The Program Administrator will maintain the list and qualifications of all Ombudsmen. The Program Administrator will receive all requests for ombudsman services from the Participating Locals and will develop procedures for assigning Ombudsmen to handle the cases received. The Program Administrator will serve as the primary point of contact for the Program.

Right to decline ombudsman services

The Program Administrator or the VR legal department shall determine whether a complaint may be appropriate for the Program. If so determined, the person filing a complaint, or inquiring about the process for filing an ethics or arbitration complaint, will be advised that ombudsman services are available to attempt to informally resolve their complaint. Such persons will also be advised that they may decline ombudsman services or terminate the process at any time and may have their complaint considered by the appropriate Grievance Committee, and at a formal ethics or arbitration hearing when appropriate.

Resolution of complaints

If a matter complained of is resolved to the satisfaction of the parties through the efforts of an Ombudsman, the Complainant must withdraw the formal complaint brought initially (if any) in writing or the complaint will continue and a resolution has not been reached.

Failure to comply with agreed upon resolution

Failure or refusal of a member to comply with the terms of a mutually agreed on resolution shall entitle the complaining party to resubmit the original complaint or, where a formal complaint in the appropriate form had not been filed, to file an complaint. The time the matter was originally brought to VR's attention, minus the period of time the matter is in the ombudsman process, will be considered the filing date for purposes of determining whether a complaint is timely filed.

Referrals to the Grievance Committee and/or to DPOR

Ombudsmen cannot refer concerns they have regarding the conduct of any party utilizing their services to the Grievance Committee, to the VREB, or to any other regulatory body. The prohibition is intended to ensure impartiality and avoid the possible appearance of bias. Ombudsmen are, however, authorized to refer concerns that the public trust may have been violated to the Grievance Committee and/or DPOR.

Suspension of filing deadlines

During the ombudsman process, filing deadlines for ethics and arbitration cases are suspended. Once the ombudsman service commences as to a the matter, the 180 day filing deadline set forth in the NAR CEAM for the filing of ethics complaints or arbitration requests is suspended until the ombudsman service has concluded. If the ombudsman process is initiated by the Complainant with respect to conduct that becomes the subject of a subsequent complaint, the 180 day filing deadline shall be suspended beginning with the date of the request for the ombudsman service and shall resume when the service has concluded.



Virginia REALTORS®
Statewide Ombudsman Cooperative Enforcement Agreement

I. Authority

Every local and state association of REALTORS® is required to offer, either directly or as part of a cooperative enforcement agreement (consistent with Professional Standards Policy Statement #59, Association To Provide Ombudsman Services), ombudsman services to members, clients, and consumers on or before January 1, 2016. The authority for the establishment and utilization of the Virginia Statewide Ombudsman Cooperative (the "Ombudsman Cooperative") shall be established by this Agreement, dated _____, approved by Virginia REALTORS® ("VR") Board of Directors, and by the Board of Directors of _____ (a "Participating Local") for a period ending on December 31, 2016.

II. Geographic Area

The geographic area served by this Agreement shall be the area of the combined territorial jurisdiction assigned to all Participating Locals by the NATIONAL ASSOCIATION OF REALTORS®, which are signatories to this Agreement, and have agreed to participate in the Ombudsman Cooperative.

III. Purpose

VR has created an Ombudsman Cooperative pursuant to Professional Standards Policy Statement #59, Association To Provide Ombudsman Services, for the purpose of assisting Participating Locals in meeting their responsibilities to offer ombudsman services to members, clients, and consumers on or before January 1, 2016. Through this cooperative program, VR will fulfill the necessary and required responsibilities of the Participating Locals.

IV. Operation

A. This Agreement authorizes VR to operate the Ombudsman Cooperative, including the oversight of terms and conditions of this Agreement, and the establishment and periodic modification of all related rules, policies and procedures. Substantive decisions regarding the policies, rules and procedures of the Ombudsman Cooperative will be subject to approval by the VR Board of Directors.

B. It is acknowledged and understood that the Ombudsman Cooperative will be providing services to Participating Locals as part of a fee-based program. Fees will be established based on criteria and procedures included in the VR Statewide Ombudsman Cooperative Policies and Procedures (attached as EXHIBIT A), and are subject to review and revision each year by VR based on the budgetary needs of the Ombudsman Cooperative. Fees will not, however, be charged for the calendar year 2015.

It is agreed that the term of this Agreement shall be from the date of signing by the Participating Local to December 31, 2016, unless otherwise amended or modified by the parties hereto.

Acceptance by Participating Local

Attachment #1

This Agreement has been approved and accepted by the Board of Directors of the _____

Participating Local

Date

Acceptance by Virginia REALTORS®

Terrie L. Suit, CEO

Date

EXHIBIT A

**Virginia REALTORS®
Statewide Ombudsman Cooperative Policies and Procedures**

I. Participation

- A. An association will either be a "Participating Local" or a "Non-Participating Local" based on whether it has joined the Ombudsman Cooperative. Participating Locals authorize the Ombudsman Cooperative to administer all ombudsman cases that would ordinarily be in the jurisdiction of that local association.
- B. Open enrollment for local associations to join the Ombudsman Cooperative will end on November 30, 2015. Subsequently, there will be an enrollment period from September 30 until November 30 of each year, during which Non-Participating Locals may join the Ombudsman Cooperative and Participating Locals may continue for the following calendar year of service. VR may allow additional enrollments and withdrawals at other times on terms determined at its sole discretion. (See Section V.B. for termination and renewals.)
- C. Joining the Ombudsman Cooperative will be voluntary. Local associations that do not have an ombudsman program must either join the Ombudsman Cooperative or outsource those responsibilities to a competent neighboring association.
- D. Participating Locals agree to abide by VR's Policies and Procedures Manual ("PPM"), incorporated herein by reference as well as any additional policies and procedures as necessary for the administration of the Ombudsman Cooperative program as a condition of participation.

II. Program Administration and Procedures

- A. The Ombudsman Cooperative program will be operated by one or more staff members employed by VR. All staff participating in these efforts will collectively be known as the Program Administrator and will have the required training.
- B. The Program Administrator will be the point of contact at VR for all consumer, member and

local association staff calls of Participating Locals regarding potential ethics complaints and arbitration requests where ombudsman services can be offered.

(1) Participating Locals will ensure that at least one (1) staff member is trained in how to offer ombudsman services pursuant to the Ombudsman Cooperative program before or after a formal complaint is filed and will also ensure that all complaints are referred to the trained staff member.

(2) Participating Locals will ensure that the following recommended Ombudsman Cooperative program script is read by the trained staff member to the individual ("Complainant") calling to report a complaint against a REALTOR®:

"Thank you for calling. I would like to tell you about a service that our Association provides that can address your question or concern. Our Ombudsman Cooperative Program is a voluntary and confidential option for you to talk directly to a REALTOR® who is a licensee trained to assist with a variety of questions. A selected Ombudsman will call you and be available as a dispute resolution resource for your concerns. You do have the right to decline ombudsman services or terminate the process at any time, and have your complaint considered by the appropriate body. Would you be interested in the ombudsman service? [PAUSE] If so, let me get a little information from you and have an Ombudsman be in touch with you as soon as possible."

(3) Participating Locals will ensure that all correct contact information is received from the Complainant, along with a brief description of the nature of the questions and/or complaint.

(4) Participating Locals, receiving requests that are the basis for potential ombudsman cases, will immediately forward, electronically, the requests to the Program Administrator.

(5) A local staff person acting in this capacity will maintain records of those contacts (call logs, etc.) in the manner directed by the Program Administrator.

C. The Program Administrator will initiate ombudsman assignment procedures no later than one (1) business day after all of the necessary information is received from the Participating Local.

D. The Ombudsman will receive an email from the Program Administrator with the log information.

E. The Ombudsman is to inform the Program Administrator immediately upon receiving the case assignment if there is a perceived conflict of interest or lack of expertise to deal with the assignment.

F. Receipt of the email by the Ombudsman will be acknowledged to the Program Administrator within four (4) hours of the time of the email transmission.

- G. A call to the Complainant will be made by the Ombudsman within one (1) business day of receiving the assignment.
- H. A minimum of three (3) attempts to contact the Complainant are to be made before closing the file and reporting back to the Program Administrator.
- I. Ombudsman Procedures:

The Ombudsman makes a telephone call to the complainant.

Items to be covered during initial conversation with **Complainant**:

- Introduce self.
- With the REALTOR® Association.
- Understand that you have concerns regarding a member of the association.
- Work with disputing parties to identify and resolve misunderstandings and disagreements before they turn into formal charges of unethical conduct
- Cannot make a decision in your case, but I can provide you with some assistance in an effort to resolve it.
- I might be able to suggest some possible avenues or options you may pursue to reach a resolution for the situation.
- Everything the parties tell me will be held in strict confidence, unless the party(ies) authorize me to disclose something to another person.
- Understand that anything we discuss cannot be used in future proceedings at the association or elsewhere.
- When the ombudsman service is concluded, I will destroy all notes and materials.
- If the matter has been successfully resolved, you as the Complainant will need to contact the association to withdraw any complaints filed.
- If this process is not successful, then any complaints you as the Complainant have filed will continue uninterrupted.
- Have you talked to the managing broker? If not, recommend that they do or ask permission to talk to the managing broker

If authorized by the Complainant, the Ombudsman makes a telephone call to the respondent.

Items to be covered during initial conversation with **Respondent**:

- Introduction of self
- With the REALTOR® Association.
- Concerns have been received regarding a recent transaction.
- Work with disputing parties to identify and resolve misunderstandings and disagreements before they turn into formal charges of unethical conduct or arbitration claims.
- Cannot make a decision in the case, but can provide you with some assistance in an effort to resolve the matter.
- Might be able to suggest some possible avenues or options in order to reach an acceptable resolution.

- Everything the parties tell me will be held in strict confidence, unless the party(ies) authorize me to disclose something to another person.
- Understand that anything we discuss cannot be used by me in future proceedings at the association or elsewhere. You may use those matter if the matter proceeds further.
- When the ombudsman service is concluded, I will destroy all notes and materials.
- If the matter has been successfully resolved, the Complainant will be told that they need to contact the association to withdraw any complaints filed.
- If this process is not successful, then any complaints filed by the Complainant will continue uninterrupted.
- The Complainant has/has not contacted the managing broker? It has been recommend that they do so OR I have asked permission to talk to the managing broker

1. The Ombudsman listens closely and asks questions in order to ascertain a clear picture of the concern and/or question. The Ombudsman is not a decision maker and should not view their role as a “fact finder”.
2. The Ombudsman determines what the Complainant is seeking as a desired outcome (answers, money, reprimand, sanctions, apology, etc.).
3. The Ombudsman answers general questions.
4. The Ombudsman must NOT “shoot from the hip”. A perfectly acceptable procedure would be to obtain permission to call back after locating the information required. Sample vocabulary “I’d like to direct you to the exact wording in the license law (or Code) that applies – may I call you back?” Another example: “I do not know about....but I will find out. May I call you back?”
5. The Ombudsman explains possible options to resolve the issue.
6. The Ombudsman seeks permission to present concerns to the Respondent.
7. The Ombudsman contacts the Respondent and explains the Complainant’s concerns and desired outcome.
8. The Ombudsman answers the Respondent’s questions if appropriate.
9. The Ombudsman seeks resolution and if authorized by the Respondent communicates Respondent’s response back to the Complainant. If Respondent does not authorize communication of Respondent’s response to the Complainant, the Ombudsman contacts Complainant to communicate such.
10. If action is required for the agreed upon resolution, the Ombudsman makes a follow up call after a week to verify the Complainant has been satisfied with the outcome. If satisfied, the Complainant is reminded that to end the case, they must contact the association to withdraw any formal complaints filed.
11. The Ombudsman completes the Ombudsman Summary Log and transmits to VR Ombudsman Program Administrator within one (1) week after the issue is resolved.

J. VR will maintain statistics (i.e., number of cases, nature of complaint) of the activity of the

Ombudsman Cooperative, including those records of activity permitted by the CEAM. VR will share these records with Participating Locals to the extent permitted without violating the confidentiality of the Ombudsman Cooperative. Specific case information and outcomes cannot be shared.

III. Fees

- A. For the calendar year of 2016, the yearly Participation Fee has been suspended. After a review of the operation of the Ombudsman Cooperative by the Professional Standards Committee in 2016, which review will occur no later than November 30, 2016, there may be need for assessment of a yearly Participation Fee. The Professional Standards Committee will report to the VR Board of Directors with a recommendation of a yearly Participation Fee, including a cap, or a recommendation that the Participation Fee should continue to be suspended. If necessary to assess a yearly Participation Fee, the Participation Fee will be based on the number of primary association members stated in the VR membership database on October 31 of the year immediately preceding the Program Year, and will be payable to VR no later than five (5) months after notification from VR. No Participation Fee will be prorated except at the sole discretion of VR, with consideration to the financial resources necessary to sufficiently fund the program.
- B. The Participation Fee for each year may be established as part of the yearly VR budget. Once established for the Program Year, the Participation Fee will be published as soon as reasonably possible after the program budget is approved by the VR Finance Committee, but in no case later than November 30 prior to each program year.

IV. Ombudsman Appointments

- A. VR will establish a list of Ombudsmen, with Ombudsmen to be appointed and placed on the VR Ombudsman List as stated below.
 - 1. Recommendations by Participating Locals
 - a. All Participating Local recommended appointees must be association members in good standing and meet the qualifications set forth in Appendix L of the PPM.
 - b. Each Participating Local shall recommend for appointment by VR's Chair of the Professional Standards Committee, to be included on the VR Ombudsman List and service as an Ombudsman, at least one (1) local association member, plus one (1) additional association member for each 1,000 primary association members (or portion thereof) of the Participating Local after the first 500 primary association members as stated in the VR membership records as of October 31 of the prior year. If an appointed association member fails to abide by the requirements set forth in the PPM and is released from being included on the Ombudsman List and service as an Ombudsman, the Participating Local shall recommend a qualified replacement association member within thirty (30) days. If no such association member is available, VR may appoint a replacement Ombudsman as needed.

- c. Appointments by the Chair of the VR Professional Standards Committee will be for a two (2) year term.
 - d. Ombudsmen will be assigned complaints as determined by the Ombudsman Program Administrator, which assignments may be Ombudsman Requests from Complainants who are not within the geographical boundaries of the Ombudsman's local association membership since the VR Ombudsman Program is a Commonwealth-wide program.
2. Appointments by VR
- a. In addition to those recommended by Participating Locals, VR's Chair of the Professional Standards Committee may appoint other qualified individuals to be included on the Ombudsman List and for service as an Ombudsman, either as part of the annual committee appointment process or as needed.
 - b. Appointments will be for a two (2) year term.
- B. Each year, all appointees on the VR Ombudsman List must complete education/training requirements approved by the VR Professional Standards Committee before becoming eligible to serve or continue to serve as a VR Ombudsman. Failure to complete the training by the date established by VR will result in automatic removal from the Ombudsman List for that year. In the event the training is not offered until after the start of the year of service, Ombudsmen who had successfully completed training the prior year shall be eligible for service as an Ombudsman until such training is offered.

V. Reservation of Rights

- A. It is understood and agreed that each Participating Local reserves to itself all authority, rights and privileges assigned to it by its Charter and agreement with the NATIONAL ASSOCIATION OF REALTORS®, except as voluntarily modified by this Agreement.
- B. This Agreement is to be construed as a one (1) year agreement with an original term that begins on the date signed and ends on December 31, 2016. A Participating Local may terminate this Agreement and withdraw from the Ombudsman Cooperative at any time during the year by providing notice at least ninety (90) days prior to the withdrawal date.
- C. VR reserves the right to terminate the Agreement and dissolve the Ombudsman Cooperative at the end of any calendar year by providing notice of its decision at least one hundred eighty (180) days prior to the end of the year.



Ombudsman Process

The definition of Ombudsman for REALTORS® - The Ombudsman Program in its simplest definition is an informal telephone dispute resolution process. In some cases it can address and resolve minor complaints from the public. It can also resolve inter-REALTORS® conflicts before they become serious problems. An ombudsman helps parties find resolutions.

WHAT IS THE VR OMBUDSMAN PROGRAM?

Ombudsman Procedures adopted by the Virginia REALTORS® are intended to provide enhanced communications and initial problem-solving capacity to the professional standards process. VR has the responsibility to receive and resolve ethics complaints, and hearing arbitration disputes filed against its members. An Ombudsman can respond to general questions regarding real estate practices, transaction details, ethical practices and enforcement issues.

WHAT ARE THE BENEFITS OF USING THE REALTOR® OMBUDSMAN SERVICE?

You can receive non-judgmental real estate related information in a timely manner and at no cost.

WHAT ARE APPROPRIATE ISSUES FOR AN OMBUDSMAN?

Many complaints do not expressly allege violations of specific articles of the REALTORS® Code of Ethics and may not concern conduct related to the Code. Some complaints are transactional, technical, and procedural questions that can be readily responded to. Some complaints are due strictly to lack of communication. These types of issues may be appropriate for the Ombudsman program.

WHAT WILL THE OMBUDSMEN NOT DO?

- Adjudicate/make the final decision;
- Give legal advice;
- Determine who is right or wrong;
- Disclose communications – Process is CONFIDENTIAL;
- Retain any written record of discussions and/or agreements.

WHO ARE THE OMBUDSMEN?

REALTORS® appointed to be Ombudsmen must:

- Meet criteria for extensive real estate experience (at least three (3) years);
- Demonstrate objectivity;
- Possess extensive knowledge of the REALTOR® Code of Ethics, license law and best practices; and
- Complete a training program.
- Demonstrate knowledge of Mediation skills, though Mediation Training not required.

HOW DOES THE OMBUDSMAN PROCESS WORK?

The VR Program Administrator will assemble information to be sent to the VR Ombudsman via e-mail. This information may include:

- Name, phone number and role of the complainant (that is buyer, seller, broker)
- Name, phone number, and role of the respondent (that is broker, principal broker, office manager)
- If the respondent is a broker, the name of principal broker and/or managing broker.

The VR Ombudsman will make all necessary contacts in an attempt to resolve the complaint. If the Ombudsman efforts are effective, the dispute will be considered resolved. If the efforts are not successful in resolving the Complainant's issues, the Ombudsman will advise the Complainant about the next step(s) in the complaint process.

Virginia REALTORS®

10231 Telegraph Road

Glen Allen, VA 23059-4561

Phone (804) 264-5033

Fax (804) 262-0497

ProStandards@virginiarealtors.org

The term REALTOR® is a registered collective membership mark which may only be used by real estate professionals who are members of the NATIONAL ASSOCIATION OF REALTORS® and who subscribe to its strict Code of Ethics.



The Mechanics of the VR Ombudsman Process

The Program Administrator or the Legal Department will screen complaints. Information about the program and a Request for Ombudsman form will be available on VR's website with a direct link to the email for the Program Administrator. Upon receipt of a request, the Program Administrator will inquire what has been done so far to resolve the situation, and obtain basic information about the issue surrounding the complaint.

The Program Administrator will email the complaint to the Ombudsman selected – including staff's comments of the issue (limited solely to factual or clarifying information – not subjective or judgmental), the Request for Ombudsman form (see Attachment 5), the Ombudsman Worksheet (see Attachment 6), and the Ombudsman Summary Log (see Attachment 7) within one (1) business day of receiving the necessary information.

The Ombudsman's responsibilities are as follows:

A. Acknowledge that the complaint has been received, either by email or call to the Program Administrator within four (4) hours of the time of the Program Administrator's transmission.

B. Call the Complainant within one (1) business day of receiving the complaint. A minimum of three (3) attempts to reach the parties should be made before closing the file.

2. Items to be covered during initial conversation with Complainant:

- Introduce self.
- With the REALTOR® Association.
- Understand that you have concerns regarding a member of the association.
- Work with disputing parties to identify and resolve misunderstandings and disagreements before they turn into formal charges of unethical conduct or arbitration claims.
- Cannot make a decision in your case, but I can provide you with some assistance in an effort to resolve it.
- I might be able to suggest some possible avenues or options you may pursue to reach a resolution for the situation.
- Everything the parties tell me will be held in strict confidence, unless the party(ies) authorize me to disclose something to another person.
- Understand that anything we discuss cannot be used in future proceedings at the association or elsewhere.
- When the ombudsman service is concluded, I will destroy all notes and materials.
- If the matter has been successfully resolved, you as the Complainant will need to contact the association to withdraw any complaints filed.
- If this process is not successful, then any complaints you as the Complainant have filed will continue uninterrupted.
- Have you talked to the managing broker? If not, recommend that they do or ask permission to talk to the managing broker

3. Items to be covered during initial conversation with Respondent:

Attachment 3

- Introduction of self
 - With the REALTOR® Association.
 - Concerns have been received regarding a recent transaction.
 - Work with disputing parties to identify and resolve misunderstandings and disagreements before they turn into formal charges of unethical conduct or arbitration claims.
 - Cannot make a decision in the case, but can provide you with some assistance in an effort to resolve the matter.
 - Might be able to suggest some possible avenues or options in order to reach an acceptable resolution.
 - Everything the parties tell me will be held in strict confidence, unless the party(ies) authorize me to disclose something to another person.
 - Understand that anything we discuss cannot be used by me in future proceedings at the association or elsewhere. You may use those matter if the matter proceeds further.
 - When the ombudsman service is concluded, I will destroy all notes and materials.
 - If the matter has been successfully resolved, the Complainant will be told that they need to contact the association to withdraw any complaints filed.
 - If this process is not successful, then any complaints filed by the Complainant will continue uninterrupted.
 - The Complainant has/has not contacted the managing broker? It has been recommend that they do so OR I have asked permission to talk to the managing broker
4. The Ombudsman listens closely and asks questions in order to ascertain a clear picture of the concern and/or question. The Ombudsman is not a decision maker and should not view their role as a “fact finder.”
 5. The Ombudsman determines what the Complainant is seeking as the desired outcome (answers, money, reprimand, sanctions, apology, etc.).
 6. The Ombudsman answers general questions.
 7. The Ombudsman explains possible options to resolve the issue.
 8. The Ombudsman seeks permission to present concerns to the Respondent (REALTOR®) and the Managing Broker, if appropriate.
 9. If authorized, the Ombudsman contacts the Managing Broker and explains the Complainant’s concerns and desired outcome.
 10. The Ombudsman contacts the Respondent if authorized by the Complainant and explains the Complainant’s concerns and desired outcome.
 11. The Ombudsman answers the Respondent’s questions if appropriate.
 12. The Ombudsman seeks resolution and if authorized by the Respondent communicates Respondent’s response back to the Complainant. If Respondent does not authorize communication of Respondent’s response to the Complainant, the Ombudsman contacts Complainant to communicate such.
 13. If action is required for the agreed upon resolution, the Ombudsman makes a follow up call after a week to verify the Complainant is satisfied with the outcome.
 14. The Ombudsman completes the Ombudsman Summary Log and transmits it to the Program Administrator within one (1) week after the issue is resolved.
 13. The Ombudsman destroys all notes and logs – no records are to be kept.

**VIRGINIA REALTORS®
STAFF & OMBUDSMAN PROCEDURES**

1. Staff may offer ombudsman services before or after a formal complaint is filed.
2. Sample script for association staff:

“Thank you for calling. I would like to tell you about a service that our Association provides that can address your question or concern. Our Ombudsman Cooperative Program is a voluntary and confidential option for you to talk directly to a REALTOR® who is a licensee trained to assist with a Variety of questions. A selected Ombudsman will call you and be available as a dispute resolution resource for your concerns. You do have the right to decline ombudsman services or terminate the process at any time, and have your complaint considered by the appropriate body. Would you be interested in the ombudsman service? [PAUSE] If so, let me get a little information from you and have an Ombudsman be in touch with you as soon as possible.”
3. Staff receives contact information from Complainant and a brief description of the nature of the question and/or complaint (Use Request for Ombudsman form, Attachment 5), and immediately forwards to Program Administrator (ProStandards@virginiarealtors.org).
4. VR staff to initiate Ombudsman assignment procedure no later than one (1) business day after all of the necessary information is received from the Participating Local or from the complainant if VR is contacted directly.
5. The Ombudsman receives an email from VR staff with the Request For Ombudsman form (Attachment 5), the Ombudsman Worksheet (see Attachment 6), and the Ombudsman Summary Log (see Attachment 7) within one (1) business day of receiving the necessary information
6. The Ombudsman informs VR staff immediately if there is a perceived conflict of interest or lack of expertise to deal with the assignment.
7. Ombudsman’s receipt of email to be acknowledged to VR staff within four (4) hours of the time of the transmission.
8. Telephone call to the Complainant to be made within one (1) business day of receiving the assignment.
9. A minimum of three (3) attempts to contact the Complainant are to be made before closing the file and reporting back to the VR Ombudsman Program Administrator.
10. Items to be covered during initial conversation with Complainant:
 - Introduce self.
 - With the REALTOR® Association.
 - Understand that you have concerns regarding a member of the association.
 - Work with disputing parties to identify and resolve misunderstandings and disagreements before they turn into formal charges of unethical conduct.
 - Cannot make a decision in your case, but I can provide you with some assistance in an effort to resolve it.

- I might be able to suggest some possible avenues or options you may pursue to reach a resolution for the situation.
- Everything the parties tell me will be held in strict confidence, unless the party(ies) authorize me to disclose something to another person.
- Understand that anything we discuss cannot be used in future proceedings at the association or elsewhere.
- When the ombudsman service is concluded, I will destroy all notes and materials.
- If the matter has been successfully resolved, you as the Complainant will need to contact the association to withdraw any complaints filed.
- If this process is not successful, then any complaints you as the Complainant have filed will continue uninterrupted.
- Have you talked to the managing broker? If not, recommend that they do or ask permission to talk to the managing broker

11. Items to be covered during initial conversation with Respondent:

- Introduction of self
- With the REALTOR® Association.
- Concerns have been received regarding a recent transaction.
- Work with disputing parties to identify and resolve misunderstandings and disagreements before they turn into formal charges of unethical conduct or arbitration claims.
- Cannot make a decision in the case, but can provide you with some assistance in an effort to resolve the matter.
- Might be able to suggest some possible avenues or options in order to reach an acceptable resolution.
- Everything the parties tell me will be held in strict confidence, unless the party(ies) authorize me to disclose something to another person.
- Understand that anything we discuss cannot be used by me in future proceedings at the association or elsewhere. You may use those matter if the matter proceeds further.
- When the ombudsman service is concluded, I will destroy all notes and materials.
- If the matter has been successfully resolved, the Complainant will be told that they need to contact the association to withdraw any complaints filed.
- If this process is not successful, then any complaints filed by the Complainant will continue uninterrupted.
- The Complainant has/has not contacted the managing broker? It has been recommend that they do so OR I have asked permission to talk to the managing broker

12. The Ombudsman listens closely and asks questions in order to ascertain a clear picture of the concern and/or question. The Ombudsman is not a decision maker and should not view their role as a “fact finder”.

13. The Ombudsman determines what the Complainant is seeking as a desired outcome (answers, money, reprimand, sanctions, apology, etc.).

14. The Ombudsman answers general questions.

15. The Ombudsman must NOT “shoot from the hip”. A perfectly acceptable procedure would be to obtain permission to call back after locating the information required. Sample vocabulary “I’d like to direct you to the exact wording in the license law (or Code) that applies – may I call you back?” Another example: “I do not know about....but I will find out. May I call you back?”
16. The Ombudsman explains possible options to resolve the issue.
17. The Ombudsman seeks permission to present concerns to the Respondent.
18. The Ombudsman contacts the Respondent and explains the Complainant’s concerns and desired outcome.
19. The Ombudsman answers the Respondent’s questions if appropriate.
20. The Ombudsman seeks resolution and if authorized by the Respondent communicates Respondent’s response back to the Complainant. If Respondent does not authorize communication of Respondent’s response to the Complainant, the Ombudsman contacts Complainant to communicate such.
21. If action is required for the agreed upon resolution, the Ombudsman makes a follow up call after a week to verify the Complainant has been satisfied with the outcome. If satisfied, the Complainant is reminded that to end the case, they must contact the association to withdraw any formal complaints filed.
22. The Ombudsman completes the Ombudsman Summary Log and transmits to VR Ombudsman Program Administrator within one (1) week after the issue is resolved.
23. **The Ombudsman destroys all of his/her notes, copies of complaint, worksheet and Log.**

CASES TO BE AVOIDED

- Complicated cases
- Large monetary amounts
- Apparent violations of law
- Those already referred to legal counsel or DPOR
- Cases involving more than 3 parties
- Unreasonable or uncooperative parties

AREA OF EXPERTISE

- An Ombudsman must be familiar with the concern in question. For example, if the issue is based around the residential contract used by VR, an Ombudsman not familiar with said contract, would not be effective.
- Issues involving specialty areas such as property management, commercial, REOs, short sales require an Ombudsman with those specialty skills, knowledge and/or experience.
- Prior to accepting the assignment, an Ombudsman has the responsibility to determine if the issue is outside of the Ombudsman’s area of expertise or if a potential conflict of interest exists.

FAIR HOUSING ISSUES

If, in the process of gathering information, the Ombudsman believes that the matter may deal with fair housing issues, the Ombudsman should direct the Complainant or Respondent that they need to report the problem to the appropriate body, such as the local association, HUD or the Virginia Fair Housing Office in the Department of Professional and Occupational Regulation (DPOR).

PUBLIC TRUST

As defined by the National Association of REALTORS®, possible violation of the Public Trust is “demonstrated misappropriation of client or customer funds or property, willful discrimination, or fraud resulting in substantial economic harm.” When it is apparent the public trust has been violated the Ombudsman should strongly encourage the consumer to file with the appropriate regulatory body. The Ombudsman should then report the concern to VR staff who will consult with legal counsel to determine if further action by the association would be appropriate.

ANGRY PHONE CONTACTS

Suggestions to help prepare for challenging or hostile encounters:

- Deflect hostile comments into opportunities to understand the caller’s needs. Respond with a question seeking an explanation.
- If a person does not respond to efforts to channel anger and hostility into a focused dialogue, the Ombudsman is not obligated to serve as the person’s “punching bag.”
- Practice tolerance and patience, but likewise demand basic decorum and observe it. Do not get drawn into the drama.
- Angry people are often challenged listeners. Avoid situations where it is likely to be misquoted.
- Everyone has limitations. Do not be afraid to draw on help from experts when appropriate.
- Never over-promise. Make sure to follow up on any commitments made during the call.
- Keep your own perspective. Each call will be unique and will rarely come off perfectly. Don’t be afraid to laugh at yourself and learn from your mistakes.

CALLS TO MANAGING BROKERS

The Managing Broker should be kept informed as appropriate, and with appropriate permission, and especially if attempts to reach the agent are unsuccessful. The Managing Broker may not know what an Ombudsman is and may be defensive. The Managing Broker may already be involved and can offer valuable insight. The Managing Broker may also be unaware of a dissatisfied consumer and may appreciate this information prior to a formal complaint.

OMBUDSMAN PROCESS UNSUCCESSFUL

To ensure impartiality and avoid the appearance of bias, Ombudsmen cannot refer concerns regarding the conduct of any party utilizing their services to the Grievance Committee or DPOR (unless there is a violation of public trust as previously defined). The role of the Ombudsman is to relay the options to the Complainant and direct them to the proper authority to pursue their complaint. In the event that the matter does result in a formal complaint reviewed by the Grievance Committee, the Ombudsman will be disqualified from reviewing the case at the Grievance, Professional Standards or Board of Directors level.

To file a complaint with DPOR: <http://www.dpor.virginia.gov/Report-Licensee/>

SUSPENSION OF 180 DAY FILING TIME FRAME

Once the ombudsman service begins, the 180 days filing deadline for ethics complaints or arbitration is suspended until the ombudsman service is completed.

SUCCESSFUL RESOLUTION OF COMPLAINANT'S CONCERNS

If a matter complained of is resolved to the satisfaction of the parties through the efforts of an Ombudsman, the Complainant must withdraw the formal complaint brought initially (if any) in writing or the complaint will continue and a resolution has not been reached.

FAILURE TO COMPLY WITH AGREED UPON RESOLUTION

If either party fails to or refuses to comply with the terms of a mutually agreed upon resolution the Ombudsman should proceed with relaying the options to the Complainant and directing them appropriately.



OMBUDSMAN DO'S AND DON'TS

DO'S

When communicating with Complainant, the Ombudsman:

- Listens to their concerns
- Ascertains their desired outcome (i.e., money, credit, repairs, questions, apology)
- Does necessary research to reference specific Articles of the Code of Ethics, License Law, Rule or Regulation if not before initial call, prior to answering questions
- Clarifies that they understand the desired outcome
- Discusses possible avenues to reach desired outcome
- Gets permission to repeat information to the Respondent and/or Managing Broker

When communicating with the Respondent and/or Managing Broker, the Ombudsman:

- Explains/communicates Complainant's concerns and desired outcome
- Listens to their side
- The Ombudsman seeks resolution and if authorized by the Respondent communicates Respondent's response back to the Complainant. If Respondent does not authorize communication of Respondent's response to the Complainant, the Ombudsman contacts Complainant to communicate such.

When mediating between the Complainant and Respondent, the Ombudsman:

- Works toward resolution if appropriate
- Does not argue with either party or suggest possible solutions
- Encourages counsel with their Managing Broker and/or attorney
- Directs Complainant to the proper regulatory body if ombudsman process is not satisfying the concern

DON'TS

- Don't adjudicate/make decisions
- Don't give legal advice
- Don't wing it or "shoot from the hip"
- Don't determine who is right or wrong
- Don't refer matter to the Grievance Committee or DPOR except for violations of Public Trust
- Don't help them to make a formal complaint
- Don't disclose communication to any unauthorized person (This process is **CONFIDENTIAL**.)
- Don't put anything in writing



**VIRGINIA REALTORS®
REQUEST FOR OMBUDSMAN**

Att

1. PARTIES

1a. COMPLAINANT'S NAME _____ ROLE IN THE TRANSACTION; _____
(Buyer, Seller, Landlord, Tenant, Managing Broker, Broker)

1b. YOUR MAILING ADDRESS: _____

1c. YOUR CONTACT INFORMATION: _____
(Phone) (Email)

1d. SUBJECT PROPERTY (If any): _____

1e. REALTOR® #1 NAME: _____ REALTOR® FIRM: _____

1f. REALTOR® #1 CONTACT INFORMATION _____
(Phone) (Email)

1g. REALTOR® ROLE IN THE TRANSACTION: _____
(Listing Agent, Purchaser's Agent, Referring Agent)

1h. REALTOR® #2 NAME _____ REALTOR® FIRM: _____

1i. REALTOR® #2 CONTACT INFORMATION _____
(Phone) (Email)

1j. REALTOR® ROLE IN THE TRANSACTION: _____
(Listing Agent, Purchaser's Agent, Referring Agent)

2. BACKGROUND

2a. Has a formal complaint been filed? Yes _____ No _____ Where? _____

2b. Please briefly state the concerns you would like to address with a REALTOR® Association Ombudsman:



**VIRGINIA REALTORS®
OMBUDSMAN WORKSHEET
(optional use)**

Date of Ombudsman Request _____ from _____
(Complainant)

Time Assignment received _____ Acknowledged _____

Date/time Initial Contact _____ Subsequent contact, if initial contact not successful: _____

Complainant's Concerns:

Managing Broker Involvement:

Complainant's Desired Outcome:

Permission granted to relay concern to: Managing Broker: Yes ____ No ____ Respondent: Yes ____ No ____

Date Managing Broker Contacted: _____ Date Respondent Contacted: _____

Response:

Permission granted to relay response to Complainant: Managing Broker Yes ____ No ____ Respondent Yes ____ No ____

Resolution:

Confirmation of Understood Resolution: Complainant _____ Managing Broker _____ Respondent _____
Date _____

Reminded Complainant to withdraw any formal ethics complaint if resolved by Ombudsman: Yes ____ No ____

Summary Log Completed and returned to VR _____
(Date)

(Original to be destroyed once Ombudsman Summary Log has been transmitted to the Program Administrator)

VIRGINIA REALTORS®
OMBUDSMAN SUMMARY LOG
(TO BE RETURNED TO VR OMBUDSMAN PROGRAM ADMINISTRATOR)



Virginia REALTORS®
10231 Telegraph Road, Glen Allen, VA 23059-4561
E-mail: ProStandards@virginiarealtors.org

Complainant

Respondent

- Complaint was resolved to the Complainant's satisfaction
- The necessary education/information was provided
- No resolution was reached, please send Complainant a packet to file an ethics complaint
- No resolution was reached, Complainant was directed to DPOR
- No resolution was reached, Complainant was directed to a fair housing authority
- No resolution was reached, Complainant was directed to seek legal advice
- No resolution was reached, (other)

Time dedicated to complete the ombudsman process: _____

General category complaint was about:

- | | |
|---|---|
| <input type="checkbox"/> Code of Ethics | <input type="checkbox"/> Inspection issues |
| <input type="checkbox"/> Business Ethics/Courtesies | <input type="checkbox"/> Advertising/Marketing |
| <input type="checkbox"/> Repairs | <input type="checkbox"/> Earnest money |
| <input type="checkbox"/> Lack of communication | <input type="checkbox"/> Discrimination |
| <input type="checkbox"/> Contract | <input type="checkbox"/> Public trust (fraud, willful |
| <input type="checkbox"/> Contract presentation | discrimination, |
| <input type="checkbox"/> Agency | misappropriation of funds/property) |
| <input type="checkbox"/> Procuring cause | <input type="checkbox"/> Other _____ |
| <input type="checkbox"/> Inter-office dispute | _____ |
| <input type="checkbox"/> Property management | |

Process Evaluation: Scale of 1-5 (5 being the best)

- | | |
|--|--|
| <input type="checkbox"/> Timeliness of contacts | <input type="checkbox"/> Ease in reaching a mutually satisfactory resolution |
| <input type="checkbox"/> Attitude of Complainant | |
| <input type="checkbox"/> Cooperation of Respondent | <input type="checkbox"/> Overall evaluation of assignment's success |
| <input type="checkbox"/> Parties overall appreciation of process | |

Comments: _____

Followed up on the resolved matter(s) after one (1) week to ensure agreed solutions were completed Yes _____ N/A _____ No _____ Comments: _____

Reminders:

If a formal ethics complaint is pending and the Complainant is satisfied with the resolution, remind Complainant to withdraw the formal complaint.

Ombudsman Worksheet must be destroyed so parties' confidentiality can be protected



As

Date

VIRGINIA REALTORS®
K-25
VR REALTOR® OMBUDSMAN
INTEREST FORM

Attachment 8

Name: _____ Licensed since: _____

REALTOR® status (i.e. Managing Broker/Broker/Licensee) _____

NRDS Number: _____

Designations, if any: _____

Company: _____ Association: _____

Preferred Mailing Address: _____

Office Phone: _____ Preferred Phone: _____

E-mail: _____

What are your primary fields of real estate expertise? Residential Commercial
 Appraisal Property Management Auction Land Other _____

Are you actively involved in the practice of real estate? _____

Have you completed VR's Professional Standards Road Show Training within the last two (2) years? Yes No

Have you ever served on a Grievance and/or Professional Standards Committee? Yes No

If yes, how long? _____

Check applicable items with which you have had professional standards experience and note extent:

Grievance panel _____

Ethics hearing panel _____

Arbitration hearing panel _____

Chair of a panel _____

Mediation of an actual dispute _____

Other: _____

List the professional standards and/or mediation training that you have participated in during your real estate career: _____

Are you familiar with the NAR Code of Ethics, Real Estate Law, VREB Regulations, and local MLS Rules and Regulations? ___Yes ___No ___Some (circle those that apply)

In what region(s) of Virginia would you NOT be comfortable serving as an Ombudsman for?

Are you willing to attend the Ombudsman training and review meetings? _____

Explain why you think you would be a good choice for an Ombudsman position:

DISCLOSURE: I understand that the information I receive as an Ombudsman is **extremely confidential**. If selected, I will treat e-mails, paperwork and verbal correspondence regarding said information with confidence. _____ (initials)

AGREEMENT: As a member of the Virginia REALTORS® (VR), I realize that this is a volunteer position. I shall subscribe to and abide by the Bylaws of VR and the Code of Ethics of the National Association of REALTORS®. I agree to serve for a two (2) year term, subject to reappointment. I certify that all information requested has been provided herein and is accurate and truthful.

Signature

Date

Return form to Professional Standards Administrator.

Virginia REALTORS®
10231 Telegraph Road, Glen Allen, VA 23059-4561
804-264-5033, FAX 804-262-0497
E-mail: ProStandards@virginiarealtors.org

VR Ombudsman Oversight Guidelines

(For staff use only)

Cases to be handled:

- Uncomplicated
- Based on poor communication
- Non or small monetary amount
- May be solved by providing basic education
- May be solved by providing basic knowledge

Cases to be avoided:

- Apparent violations of law
- Those already referred to legal counsel, arbitration, etc.
- Large monetary amounts
- Complex cases
- Cases involving more than three parties
- Blatantly unreasonable or uncooperative parties

Red Flags:

- Unreasonable party
- Party seeking sympathetic assistance
- “Fishing expeditions”
- Overly excited or irritable party
- Party unclear about the facts and/or issues
- Party exaggerates or misrepresents
- Party threatens retribution or violence

Who shall handle:

- The Ombudsman on call in the region where/when the request for ombudsman services is received
- Ombudsmen without a conflict, e.g., involving anyone in same company, economic, social or familial connections
- If a particular specialty/discipline is required, an ombudsman with the required specialty/discipline

Goal:

- Defuse situation and emotions
- Clarify the issues
- Deal with the facts
- Deal with only essential elements of the dispute
- Avoid irrelevant, inflammatory elements
- RESOLVE the dispute in such a manner that both parties are able to view the resolution as “helpful.”