

Gallatin Association of REALTORS®
Policies and Procedures

Amended April 30, 2019

RECEIPT AND ACCEPTANCE

I hereby acknowledge receipt of the GAR's General Policy Handbook. I understand that it is my continuing responsibility to read and know its contents. Violation of this handbook may be cause for disciplinary action.

I have read, understand and agree to all of the above. I have also read and understand the GAR's General Policy Handbook.

Signature _____

Print Name _____

Date _____

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Part I: Ethics and Accountability

Mission

The mission of Gallatin Association of REALTORS® is to promote and enforce the REALTOR® Code of Ethics, enhance professionalism, provide education and resources, encourage member participation, protect private property rights, and strengthen the REALTOR® image throughout the community.

Objectives

The objectives of this organization are:

- To unite those engaged in the recognized branches of the real estate profession in this community for the purpose of exerting a beneficial influence upon the profession and related interests.
- To promote and maintain high standards of conduct in the real estate profession as expressed in the Code of Ethics of the National Association of REALTORS®.
- To provide a unified medium for real estate owners and those engaged in the real estate profession whereby their interests may be safeguarded and advanced.
- To further the interest of home and other real property ownership.
- To unite those engaged in the real estate profession in this community with the Montana Association of REALTORS® and the National Association of REALTORS®, thereby furthering their own objectives throughout the state and nation, and obtaining the benefits and privileges of membership therein.
- To designate for the benefit of the public, individuals authorized to use the terms REALTOR® and REALTORS® as licensed, prescribed and controlled by the National Association of REALTORS®.

Code of Ethics

The Gallatin Association of REALTORS® strictly abides to the National Association of REALTORS® current Code of Ethics. All Professional Standards hearings and arbitrations are based on the most updated Code of Ethics.

Board Duties

Board Members must be aware of the three legal Duties; Care, Loyalty, and Obedience, that are required of all those that sit on a corporation's board. Individuals should strive to make decisions and use the authority of the board in a manner that is consistent with the

intent of these Duties. Violation of any of these can put the Association in jeopardy of lawsuits and class-action suits.

The Duty of Care: Board members must exercise reasonable care and competency when making decisions regarding the organization. This duty of reasonable care requires members to attend all meetings, read all material provided to them prior to the meetings, be knowledgeable on all issues, and convey all information in a balanced manner so that the pros and cons are understood.

The Duty of Loyalty: Board members must avoid conflict of interest and make decisions based on the best interest of the organization, putting aside personal benefit. The duty of loyalty necessitates that once a vote is final; all members of the Board "carry the flag for the vote." It is the decision of the Association and should be treated as representing the best interest of the whole membership.

The Duty of Obedience: Board members must be faithful to the accomplishment of the organization's mission. There should be no constituency voting. Board members bring their perspective to the discussion but must act in the best interest of the local association.

Conflict of Interest

To assure that those persons exercise the utmost good faith in all transactions involved in their duties and that they not use their positions with GAR or knowledge gained there from for their personal benefit or that of their friends, business acquaintances or family. GAR requires that all employees and board members sign and/or update a conflict of interest statement each year. If there is a conflict of interest, the individual with the conflict will not take part in discussion, deliberations, or vote on the matter at hand. Nor will they lobby or promote a position.

Employees will sign a statement upon hire and update annually. Board members will sign a statement at Orientation and update annually.

Gift Policy

As part of its conflict of interest policy GAR requires that directors, officers and employees decline to accept certain gifts, consideration or remuneration from individuals or companies that seek to do business with GAR or are a competitor of it.

Confidentiality

Confidentiality is a hallmark of professionalism. GAR employees, independent contractors, and board members:

1. Ensure that all information that is confidential or privileged or that is not publicly available is not disclosed inappropriately. Financial statements and pending litigation are always to be considered confidential.
2. Ensure that all nonpublic information about other persons or firms acquired by GAR personnel in dealing with outside firms on behalf of GAR is treated as confidential and not disclosed.

3. A confidentiality statement will be on all committee sign in sheets.

To assure that board members, contractors and staff are mindful of the need for confidentiality; GAR requires that all the above sign a Statement of Confidentiality upon hire or term origination.

Antitrust Policy

Introduction

The Gallatin Association of REALTORS® is a not-for-profit organization. The association may not play any role in the competitive decisions of its members. Rather it serves as a forum for a free and open discussion of diverse opinions without in any way attempting to encourage or sanction any particular business practice.

The Association provides a forum for exchange of ideas in a variety of settings including its annual meeting, educational programs, committee and business meetings, and meetings of the Board of Directors. The Board of Directors recognizes the possibility that the Association and its activities could be viewed by some as an opportunity for anticompetitive conduct. Therefore, this statement supports the policy of competition served by the antitrust laws, and communicates the Association's uncompromising policy to comply strictly in all respects with those laws.

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

Policy

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

- The association or any committee, task force or working group shall not be used for the purpose of bringing about or attempting to bring about any understanding or agreement, written or oral, formal or informal, expressed or implied, among two or more members or other competitors with regard to prices or terms and conditions of contracts for services of products. Therefore, discussions and exchanges of information about such topics will not be permitted at Association meetings or other activities.

- There will be no discussions discouraging or withholding patronage or services from, or encouraging exclusive dealings with any supplier or purchaser, group of actual potential competitors, or any private or governmental entity.
- There will be no discussions about allocating or dividing geographic or service markets or customers.
- There will be no discussions about restricting, limiting, prohibiting, or sanctioning advertising or solicitation that is not false, misleading, deceptive, or directly competitive with Association products or services.
- There will be no discussions about discouraging entry into or any competition in any segment of the marketplace.
- There will be no discussions about whether the practices of a member, actual or potential competitor, or other person are anti-competitive, unless the discussions or complaints follow the prescribed due process provisions of the Association's bylaws.
- Certain activities of the Association and its members are deemed protected from antitrust laws under the First Amendment right to petition government. The antitrust exemption for these activities, referred to as the Noerr-Pennington Doctrine, protects ethical and proper actions or discussions by members designed to influence: 1) legislation at the national, state, or local level; 2) regulatory or policy-making activities (as opposed to commercial activities) of a governmental body; or 3) decisions of judicial bodies. However, the exemption does not protect actions designed to cover-up anticompetitive conduct.
- Speakers at committee, task force, working group or business meetings of the Association shall be informed that they must comply with the Association's antitrust policy in the preparation and presentation of their remarks.
- Meetings will follow a written agenda. Minutes will be prepared after the meeting to of important matters discussed and actions taken or conclusions reached.

At informal discussions at the site of any Association meeting all participants are expected to observe the same standards of personal conduct as are required of the Association in its compliance.

It is recommended that Association volunteers read, date, and retain a copy of this statement for their personal files.

Each member will receive a copy of the Antitrust Policy in their annual dues assessment.

Credits: This antitrust statement is adapted from a sample document prepared by Bob Harris of the Non-Profit Center.

Whistleblower Protection

A whistleblower is an employee of the Gallatin Association of REALTORS® who reports information that he/she has reasonable cause to believe discloses a violation of state or federal law as well as the potential violations of the Association's bylaws and policies to one or more of the parties specified in this Policy.

If an employee has information which he/she reasonably believes discloses a violation of state, federal law, or the Association's bylaws and policies, the employee should contact the Executive Vice President or the Association's General Counsel. Employees are also permitted to contact the appropriate law enforcement or government agency. The employee must exercise sound judgment to avoid baseless allegations. An employee who intentionally files a false report of wrongdoing will be subject to discipline up to and including termination.

Insofar as possible, the confidentiality of the whistleblower will be maintained. However, identity may have to be disclosed to conduct a thorough investigation, to comply with the law or to provide accused individuals their legal rights of defense. The Company will not retaliate against a whistleblower or any employee who refuses to participate in an activity that would result in a violation of state or federal law. This includes, but is not limited to, protection from retaliation in the form of an adverse employment action such as termination, compensation decreases, or poor work assignments and threats of physical harm. Any employee who believes he/she is being retaliated against must contact the Executive Vice President or General Counsel immediately. The right of a whistleblower for protection against retaliation does not include immunity for any personal wrongdoing that is alleged and investigated, or disclosures that would constitute a violation of the attorney-client privilege.

Record Retention and Document Destruction

It is a crime to alter, cover up, falsify, or destroy any document with the intent of impeding or obstructing any official proceeding, this policy provides for the systematic review, retention, and destruction of documents received or created by GAR in connection with the transaction of organization business. This policy covers all records and documents, regardless of physical form, contains guidelines for how long certain documents should be kept, and how records should be destroyed (unless under a legal hold). The policy is designed to ensure compliance with federal and state laws and regulations, to eliminate accidental or innocent destruction of records, and to facilitate GAR's operations by promoting efficiency and freeing up valuable storage space.

Retention

GAR follows the document retention procedures outlined below. Documents that are not listed, but are substantially similar to those listed in the schedule, will be retained for the appropriate length of time.

Corporate Records

| | |
|---|-----------|
| Annual Reports to Secretary of State/Attorney General | Permanent |
| Articles of Incorporation | Permanent |
| Board Meeting and Board Committee Minutes | Permanent |
| Board Policies/Resolutions | Permanent |
| Bylaws | Permanent |
| Construction Documents | Permanent |
| Fixed Asset Records | Permanent |
| IRS Application for Tax-Exempt Status (Form 1023) | Permanent |
| IRS Determination Letter | Permanent |
| Contracts (after expiration) | 10 years |
| Correspondence (general) | 5 years |

Accounting and Corporate Tax Records

| | |
|--|-------------------|
| Annual Audits and Financial Statements | Permanent |
| Depreciation Schedules | Permanent |
| IRS Form 990 Tax Returns | Permanent |
| General Ledgers | 7 years/Permanent |
| Business Expense Records | 7 years |
| IRS Forms 1099 | 7 years |
| Journal Entries | 7 years |
| Invoices | 7 years |
| Sales Records (box office, concessions, gift shop) | 5 years |
| Petty Cash Vouchers | 3 years |
| Cash Receipts | 3 years |
| Credit Card Receipts | 3 years |

Bank Records

| | |
|------------------------------------|-------------------|
| Check Registers | 7 years/Permanent |
| Bank Deposit Slips | 7 years |
| Bank Statements and Reconciliation | 7 years |
| Electronic Fund Transfer Documents | 7 years |

Payroll and Employment Tax Records

| | |
|--------------------------------|---------|
| Payroll Registers | 7 years |
| State Unemployment Tax Records | 7 years |
| Earnings Records | 7 years |
| Garnishment Records | 7 years |
| Payroll Tax Returns | 7 years |

| | |
|---|---------------------------|
| W-2 Statements | 7 years |
| <i><u>Employee Records</u></i> | |
| Employment and Termination Agreements | 10 years |
| Retirement and Pension Plan Documents | 10 years |
| Records Relating to Promotion, Demotion, or Discharge | 7 years after termination |
| Accident Reports and Worker's Compensation Records | 5 years |
| Salary Schedules | 5 years |
| Employment Applications | 3 years |
| I-9 Forms | 3 years after termination |
| Time Cards | 2 years |

Donor and Grant Records

| | |
|--|--------------------------|
| Donor Records and Acknowledgment Letters | 7 years |
| Grant Applications and Contracts | 7 years after completion |

Legal, Insurance, and Safety Records

| | |
|-------------------------|----------------------------|
| Appraisals | Permanent |
| Copyright Registrations | Permanent |
| Environmental Studies | Permanent |
| Insurance Policies | 10 Years |
| Real Estate Documents | 10 Years |
| Stock and Bond Records | 6 Years |
| Trademark Registrations | Permanent |
| Leases | 10 years after expiration |
| OSHA Documents | 5 years |
| General Contracts | 10 years after termination |

Electronic Documents and Records

Electronic documents will be retained as if they were paper documents. Therefore, any electronic files, including records of donations made online, that fall into one of the document types on the above schedule will be maintained for the appropriate amount of time. If a user has sufficient reason to keep an e-mail message, the message should be printed in hard copy and kept in the appropriate file or moved to an —archive\ computer file folder. Backup and recovery methods will be tested on a regular basis.

Emergency Planning

GAR's records will be stored in a safe, secure, and accessible manner. Documents and financial files that are essential to keeping GAR operating in an emergency will be duplicated or backed up at least every week and maintained off-site.

Destroying Documents

GAR's Executive Vice President is responsible for the ongoing process of identifying its records, which have met the required retention period, and overseeing their destruction. Before the destruction of documents take place, the Executive Committee will review the

documents to be destroyed. Destruction of financial and personnel-related documents will be accomplished by shredding.

Document destruction will be suspended immediately, upon any indication of an official investigation or when a lawsuit is filed or appears imminent. Destruction will be reinstated upon conclusion of the investigation.

Safety Deposit Box

~~The Executive Committee shall be responsible for maintaining a safety deposit box for the safe keeping of personnel files. The President, President Elect, Treasurer and the EVP will be the signers on the box. It would require 2 of the 4 signers to open the box. The President will also develop a log of the contents of the box which will be put into the box.~~

Compliance with Record Retention and Document Destruction

Failure on the part of employees to follow this policy can result in possible civil and criminal sanctions against GAR and its employees and possible disciplinary action against responsible individuals. The Treasurer and finance committee chair will periodically review these procedures with legal counsel or the organization's certified public accountant to ensure that they are in compliance with new or revised regulations.

Part II: Board and Board Members

GAR board membership carries with it the expectation that individual directors will have the time and desire to be active during their term of office. It is the policy of GAR that board members are able to fulfill the following expectations during their board tenure.

Expectations of the Members of the Board

1. Be a team member and dedicating the time necessary to become familiar with the purpose, operations, plans, and programs of GAR.
2. Approach all Board issues with an open mind, prepared to make the best decision for the whole organization.
3. Exercise authority as a Board Member only when acting in a meeting with the full Board or as the Board delegates.
4. Keep confidential information confidential.
5. Participate in the leadership of GAR by taking part in strategic and annual planning; supporting organizational culture by acting in accord with GAR's ethical standards promoting the mission, programs, and image of GAR in the community in a positive manner consistent with GAR's public relations policies.
6. Govern GAR by assuring that resources and structures are in place to accomplish GAR's goals and mission. This includes policies to guide operations, an effective committee structure, a realistic budget, and ongoing oversight of business through consistent attendance at Board and Committee meetings.
7. Volunteer, in areas of interest, to provide support to staff for achieving the annual operations plan.

Code of Conduct

The Board of Director's code of conduct is intended to provide broad guidelines of proper conduct for a member of the Board. It is not intended nor should it be construed as a definitive and exhaustive list of —dos and don'ts

Key elements of proper conduct for a Board of Directors member include:

- *Commitment:* A Board of Directors member must be committed to the Board, organization, and general public as shown by the member's preparation and active participation in Board activities.
- *Benefit:* A Board of Directors member must make decisions based on the overall benefit of the organization and the general public, even when doing so is to the detriment of individual Board members, staff members, or citizens.
- *Confidentiality:* A Board of Directors member must keep confidential those matters that come before the Board and are not matters of public record, including but not necessarily limited to: proprietary financial, planning, and personnel information; legal matters involving the Board or GAR; client, or customer information; and, private Board deliberations and positions taken by individual members.
- *Supporting Decisions:* Once the Board of Directors reaches a decision, members must support the Board's position even if the individual member voted with the minority.
- *Conflicts of Interest:* A Board of Directors member must be forthcoming in declaring actual or potential conflicts of interest, erring on the side of caution in the case of potential conflicts, and members must reclude themselves when there is any reasonably foreseeable possibility of a member's enrichment or unjust benefit.
- *Speaking in the capacity of a Board Member:* A Board of Directors member must ensure that the Board and organization —speak with one voice, taking care not to represent the Board or GAR in any capacity other than a formal position as the designated representative of the Board of Directors.
- *Differentiating Governance and Management:* A Board of Directors member must be cognizant of the Board's governance role and the operational role of management, taking care not to become involved in operational matters such as personnel management or service delivery

Governance Calendar

In order to provide consistency and continuity to board operations, GAR Board of Directors will keep a calendar of board related activities. This Governance Calendar will be reviewed and updated by the Executive Committee each year and the revised calendar approved by the full Board at the same time as budget approval.

Strategic/Operational Planning

GAR will conduct a Strategic Planning session at least every three years to establish organizational strategic goals. The goal of the planning session is to review past years accomplishments and update or identify new Strategic Goals for the upcoming three year

time period. From these Strategic Goals the Board will identify Annual Strategic Objectives for the upcoming calendar year.

Each year the Executive Vice President, and/or the Executive Committee will develop Annual Objectives and Program Activities that will support the accomplishment of the Strategic Goals that have been approved by the Board.

The Executive Vice President (EVP), Board President, appropriate Committees, and Staff will then develop Operational Plans that outline the specific, measurable activities that will be conducted to achieve Annual Strategic Objectives.

The Operational Plan will also identify resources needed to accomplish the Objectives, including expense items and manpower needs. These figures will be integrated into the budgeting process through the EVP and Finance Committee. The Operational Plan and details of its corresponding expenses will be presented in writing to the Finance Committee along with the draft budget. The Operational Plan will be approved by the Board at the same time as the Budget is approved.

Board reports will be created that monitor the progress towards implementation of the Annual Strategic Objectives.

In addition the EVP's annual evaluation will be based on the accomplishment of the Annual Strategic Objectives as well as other performance review items. The Board will also evaluate their performance based on the accomplishment of the Annual Strategic Objectives.

The Operational Plan will be used by the EVP as a guide to developing staff goals and work plans which will be used as the bases for staff evaluation.

Board Orientation & Leadership Training

Each December, existing and new board members will attend a mandatory leadership orientation and training at a venue determined by the BOD.

The orientation session includes the GAR bylaws, policies, MLS rules and regulations and a Conflict of Interest disclosure that requires a signature. *(Amended 9-23-2015)*

Board orientations and leadership training will be conducted by the Executive Committee, the EVP, and other staff and board members as needed.

Ongoing Board Training

Board training is an ongoing process. Staggered terms, the changing environment, and the amount of knowledge to be learned all make board education a critical component for efficient governance.

OFFICERS AND DIRECTORS

Section 1. Officers. The elected officers of the Association shall be: President, President-Elect, 1st Vice President, and Treasurer. The Treasurer shall be elected for a two-year term. The President-Elect automatically assumes the office of President the year following their term as President-Elect. The 1st vice President is a one (1) year term and an automatic seat on the MLS Board of Directors. The Executive Committee shall be composed of all officers elected by the General membership, or their successors, and the Immediate Past President of the Association.

Section 2. Duties of Officers. The duties of the officers shall be such as their titles; general usage would indicate and such as may be assigned to them by the Board of Directors. It shall be the particular duty of the Treasurer or staff designee to keep the records of the Association and to carry on all necessary correspondence with the National Association of REALTORS® and the Montana Association of REALTORS®.

Section 3. Board of Directors.

Board of Directors Defined. The governing body of the Association shall be a Board of Directors consisting of the Elected Officers, the immediate past president of the Association, and an odd number of REALTOR® members in the association not to exceed fifteen (15) directors shall be elected to serve for terms of three (3) years. The Board of Directors shall have the responsibility to establish policy and procedures in order to assure compliance with the Bylaws of the association, and shall be charged with the full responsibility and authority to carry out all business and professional activities of the Association.

- a. **Term Limits.** No director shall serve for more than two consecutive three-year terms.
- b. **Firm Limits.** No more than three (3) REALTORS® from the same real estate firm may simultaneously serve on the Board of Directors.
- c. **Treasurer Term Limit.** The position of Treasurer may serve a maximum of 3 consecutive two-year terms.
- d. The Big Sky Country MLS President is an automatic seat on the GAR board for the term of the President position. This position must follow the term limits in (a).
- e. The Rocky Mountain Association of REALTOR®/Butte seat is chosen by those agents geographically located in that area. This position must follow the term limits in (a).

Candidate Requirements of Service.

Officer - A candidate for election as an officer of the association must have previously served or is currently serving on the Board of Directors for a period of 12 months prior to taking office, with the exception of Treasurer.

Director - Applicants for Director must have been a GAR REALTOR® member a minimum of 2 years prior to taking office and must be in good standing. No person may be a candidate for more than one position whether nominated by the Nominating Committee or by petition. Applicants must have involvement in GAR including a minimum of one (1) year service on a committee, task force, or similar activity, including attendance at GAR sponsored functions.

President Elect – The President-Elect must have previously served two (2) years as a Director or Officer of GAR or MLS Chair.

Treasurer – The Treasurer must have been a member of the GAR Board of Directors or GAR Committee for a minimum of two (2) years and have completed that term before they announce their candidacy for office. (Amended 8-22-2018)

- e. **Replacement Appointees.** Replacement appointees, as approved by the BOD, must also be in compliance with Section 3.

Section 4. Election of Officers and Directors.

Election Process Defined. At least two months before the annual election, a Nominating Committee of three (3) REALTOR® members shall be appointed by the President with the approval of the Board of Directors. The Nominating Committee shall select one or more candidates for each Officer position and one or more candidates for the position of Director, except that of President if there is a sitting President-Elect. No member of the Nominating Committee may run for an Officer or Director position. All Officers and Directors shall be elected at large. The report of the Nominating Committee shall be mailed or electronically transmitted to each Member eligible to vote at least three weeks preceding the election.

Additional candidates for the positions to be filled may be placed in nomination by petition signed by at least 3% of the REALTOR® Members eligible to vote. The petition shall be filed with the President and/or President-Elect ten (10) business days before the election and their name shall be placed on the ballot. To be placed on the ballot by petition, the candidate must meet the same eligibility requirements as those mentioned in the Bylaws and/or Policy Manual. President and/or President Elect shall send notice of such additional candidates to all members eligible to vote before the election.

Election Committee Defined. The President, with the approval of the Board of Directors, shall appoint an Election Committee of three or more REALTOR® Members to conduct the election. No member of the Election Committee may run for an Officer or Director position. In the case of more than one candidate for a single position, the candidates receiving the largest number of votes cast shall be declared elected by the Election Committee. In case of a tie vote, the issue shall be determined by lot. The lot method is chosen by the sitting President, i.e. drawing names out of a hat, flipping a coin, etc.

Term and Times of Election. The election of Officers and Directors shall take place as determined by the Election Committee. The Election shall be conducted by electronic means. In case of emergency and/or electronic failure, the Executive Committee may extend the voting period. The times the polls will open and close for election shall be determined by the Election Committee and be published at least three weeks prior to the election. Absentee voting shall not be permitted.

No proxy votes will be allowed. The ballot shall contain the names of all candidates and the offices for which they are nominated.

Election Lobbying. On-site lobbying for/or by any candidate during polling hours on the association property shall be prohibited.

(Amended 5/25/2016)

State Directors

Election of directors to the Montana Association of Realtors is outlined in the By-laws. Article XI. Section 7.

Board Member Expense Reimbursement

President and State Directors and MAR Task Force Members traveling to MAR meetings

The GAR President, State Directors who travel to Helena for the state meetings, or to other locations for MAR meetings, will be reimbursed for travel expenses, hotel, and conference registration. There will be a per diem of \$50 per day to offset other expenses. The reimbursement will be paid upon GAR's receipt of a report from the Director or Task Force member. These reports are included in Board packets once they have been received. There are typically three 3-day meetings per year.

Any reimbursements for travel can be approved by the Executive Committee. All reimbursement requests must be received within 60 days after the meeting or event for reimbursement.

President, President-Elect and MLS Committee Chair traveling to NAR meetings

The President, President-Elect and MLS Committee Chair are reimbursed for the following expenses at 100% when traveling to attend mid-year and fall NAR meetings:

1. All travel expenses to include any form of transit necessary including but not limited to airfare, trains, taxis and subway fares
2. Hotel, including tax
3. Conference registration

Receipts are needed for the above.

The President, President-Elect and MLS Committee Chair are granted a per diem of \$100 a day to help offset other expenses, including meals and other incidentals.

Reimbursement is paid upon GAR's receipt of a written report. These reports are included in Board packets once they have been received.

Staff Travel

For travel to MAR and NAR meetings and trainings, GAR will reimburse the EVP, Government Affairs Director and MLS Director 100% for all expenses with receipts. Other staff required to attend trainings or meetings will also be paid 100% of travel costs. Mileage will be paid at the federal rate. *(Amended 1-27-2016)*

Legal Counsel

For travel to MAR and NAR meetings, legal counsel's actual expenses and fees incurred in travel and attendance will be paid up to and not to exceed \$5,000 per year without further approval and authorization from the Board of Directors. Reports from legal counsel will be included in the Board packets.

Board and Committee Meeting Attendance

The Association can only operate to its fullest potential and thus best serve the community and the mission of GAR when its members are fully engaged and actively participating in the activities of the Board of Directors and Committees. Accordingly, the Association recognizes that attendance at Board and Committee meetings is of the highest priority. Prospective Board members are asked to consider their capacity to prepare for, attend, and actively participate in Board and Committee meetings as a condition of nomination for the Board of Directors and participation in Committees.

In any volunteer activity, though, it must be acknowledged that an individual's circumstances might change over time, rendering compliance with the good faith and sincere commitment to participate in the volunteer activity difficult or impossible to achieve.

Board of Directors and Committee members are encouraged to identify changes in circumstances that will severely limit their participation and to make a proactive decision to resign. It is recognized, though, that a member may face a temporary and time-limited alteration in responsibilities or priorities that will limit participation for some defined time period. In such instances, the member is encouraged to notify the Board President about the change and the period of time that attendance will be limited.

In the event that a member's attendance suffers and the member does not proactively address the concern, the Board has developed the following process to address it.

1. After a Board of Directors member misses two (2) board meetings in a calendar year, staff will notify the GAR President. The President will contact the member and they shall collaboratively determine if the member has the time to continue as a Board of Directors.

2. If the member opts to resign, normal procedures as outlined in the GAR By-laws to fill a vacant position will be instituted.
3. If the member opts to continue, the board will vote at its next regularly scheduled meeting on whether the attendance policy is violated and the board member removed.
4. If a committee member misses two (2) consecutive scheduled meetings or three (3) scheduled meetings in a calendar year, the committee member is considered resigned and staff will notify the member of the attendance violation and the GAR President. *(Amended 1-27-2016)*

Part III: Meetings

Meetings of the Board of Directors and Committees

All GAR Committee meetings will be open to current GAR members and invited guests. From time to time, the President or Committee Chair may close a meeting, for example to discuss personnel issues or to discuss a legal strategy.

All GAR Committee and Board meetings minutes that are open to GAR members will be posted on the website. Any meetings must follow the notice and quorum guidelines outlined in the GAR Bylaws.

Meetings will start on time. The meeting will be called to order by the Committee Chair or in his/her absence, the Vice Chair, who will run the meeting until the Chair arrives. All electronic communication devices must be turned off during the meeting with the exception of the person assigned to record the meeting. Confidentiality statements will be present on all sign in sheets. The Antitrust Policy for the Association will be at the sign in area for members to review at all Board and Committee meetings.

At the start of any meeting, someone will be appointed to take minutes. Minutes will reflect motions that are made and whether or not the motions were approved. Detailed discussion will not be reflected in the minutes, nor will the minutes state who voted for or against motions. The minutes will state if a Board or committee member removes himself/herself from a vote due to a conflict of interest.

Once a motion passes or fails members of the Board or committee will stand behind the outcome as a unified group.

All committee reports should be forwarded to the board. The Board or Executive Committee must approve all motions.

Regularly Scheduled Board Meetings

GAR holds a minimum of four Board Meetings each year. The Annual Meeting of the Board of Directors is in January for the installation of Board Officers. **See GAR By-laws**

Board Members shall receive no compensation for carrying out their duties as Directors. The Board may adopt policies providing for reasonable reimbursement of Directors for expenses incurred in conjunction with carrying out Board responsibilities, such as travel expenses to attend Board meetings.

Minutes

Accuracy of meeting minute content is the responsibility of the EVP. To this end, the staff person will be charged with completing the minutes and forwarding them to the EVP for review, revision, and certification before the minutes are distributed to the Board. Board minutes will be approved or modified by the Board of Directors to assure overall accuracy.

Upon approval of the minutes, the EVP shall affix official certification to the minutes approved by the Board of Directors.

Staff Attendance

The EVP will designate a staff person to attend all board meetings in order to take minutes of the meeting. In addition, the EVP or Board Chair may invite any staff person to attend a board meeting to report or participate in discussion pertaining to their area of activity.

Committee Minutes

Per Montana Law minutes will be kept of all committee meetings and will be included in regular board meeting material. In the absence of staff at a meeting, the Committee Chair will appoint a committee member to act as secretary.

Part IV: Membership

GAR Membership Requirements

GAR will conduct an annual process called REATOR® certification to ensure that all REALTOR® members are financially accounted for when billing for annual dues. Designated REALTORS® are required to answer the request for certification within thirty (30) days for receipt from GAR. *(Amended 9-23-2015)*

If a real estate agent is a member of a REALTOR® office, (i.e. there is a designated broker who is a member) then the broker must pay annual dues for every licensee associated with the designated broker or office. However, the associated licensee does not have to be a member (although the dues have been paid for them.). This includes paying the new member application fee and annual dues to GAR, MAR and NAR (as prorated).

Before submitting their application form with GAR, potential new members must take the online Code of Ethics training and provide proof of passing the training when submitting their membership application.

The GAR BOD must approve the applications for membership at their next regularly scheduled meeting to complete the membership process. *(Amended 9-23-2015)*

New Member Orientation

GAR provides new member orientation that is accessible online for the convenience of the membership. New GAR members must complete the orientation session within thirty (60) days of submitting their application for membership with GAR.

Upon completion of the online GAR orientation, the new member must pass the new member test with a score of 80% or better to be considered for provisional membership.

Failure to take the orientation class online or pass the test in the allotted time given will result in termination of membership with GAR and no refunds of dues. *(Amended 6-4-2018)*

Continuing Education

90% Rule/Late Policy

- According to the Montana Board of Realty Regulation, course attendees cannot miss more than 6 minutes of any hour of the course and still receive credits. Therefore, those arriving more than 6 minutes late to the course or returning from break more than 6 minutes after class has resumed may still attend the course but will not receive credit. Courses will be monitored by instructors, and there will be absolutely no exceptions.
- Members and Non-Members who sign into a course and are unable to stay for the entire duration of the course per the 90% Rule/Late Policy are responsible for notifying the course instructor, a course monitor, or GAR staff to ensure that their name is crossed off of the attendee list.
- Members and Non-Members who attempt to purposely deceive by signing in to a course and failing to stay for the entire duration of the course per the 90% Rule/Late Policy will not receive credit for the course. They will also be suspended from registering for or attending any GAR sponsored education events for 30 days.

Registration for GAR CE Courses *(Amended 4-30-2019)*

- Members and Non-Members who register for a GAR CE course and fail to attend the course *for any reason* will be assessed a no show fee. ***There are NO EXCEPTIONS.***
- The no show fee must be paid ***in 30 days***. If the no show fee is not paid in 30 days, the GAR Board of Directors will determine the appropriate course of action.
- The no show fee must be paid before the attendee can register for or attend any further continuing education events hosted by GAR.
- The GAR Board of Directors will determine the amount of the no show fee annually.

- Members and Non-Members who do not register for a course by 4pm MST the last business day before the course will not be allowed to attend the course.
- GAR is not responsible for failure of a course attendee's name to appear on the registration list the day of the course. To ensure proper and timely entrance into all GAR sponsored education events, GAR highly recommends course attendees bring a copy of their course registration confirmation with them to the course. If an attendee's name does not appear on the registration list and they do not have proof of course registration confirmation the day of the event, the attendee will not be permitted entrance into the course.
- Course registrations are non-transferable. No exceptions.

Waiting Lists for GAR CE Courses

- Members and Non-Members who register for a course that is full will be placed on a waiting list for the course. If somebody who is registered for the course cancels their registration by 4pm the last business day before the course, registrants will be moved off the waitlist in the order in which they were placed on the waitlist. GAR staff will contact anybody moved off the waitlist by 5pm the last business day before the event to let them know they are officially registered for the course. If a Member or Non-Member who is on the waitlist does not receive confirmation that they have been moved off the waitlist by 5pm the last business day before the event, they should assume they are not registered for the course and will not be granted entry into the course.

Cancellations for GAR CE Courses *(Amended 4-30-2019))*

- Cancellations are not permitted after 4 pm the day before the course. Any cancellation after 4pm the day before the course will result in the assessment of a no show fee to the attendee.
- The no show fee must be paid *in 30 days*. If the no show fee is not paid in 30 days, the GAR Board of Directors will determine the appropriate course of action.
- The no show fee must be paid before the attendee can register for or attend any further continuing education events hosted by GAR.

GAR Financial Support for Non-Continuing Education Credit Courses

- Due to the potential high volume of non-CE courses, GAR will not financially support non-CE courses in any aspect, including but not limited to: food, beverage, meeting room, or any other associated expenses. *(Amended 5-2-2017)*

Chief Executive

The EVP serves at the pleasure of the Executive Committee.

The board authorizes the Executive Vice President to manage the organization in accordance with the approved annual operating budget. Programmatic or operational changes that may have a significant impact on the annual budget shall be reviewed by the board between budget cycles and may lead to a budget revision.

The Executive Committee shall review the Executive Vice President annually on the contract anniversary date. The committee shall use the standard NAR review form for the review. *(Amended 9-23-2015)*

Planning and Goal Setting

The EVP will be an integral part of the long and short term planning process. The EVP is expected to be present and participate in all planning meetings with the Board unless specifically asked otherwise.

Reporting

The EVP will make quarterly written reports to the Board of Directors. Reporting should be linked to the Annual Objectives.

Part VI: Finance and Investments

Fiscal Year

The Fiscal year for GAR shall be October 1-September 30 or as determined by the Board of Directors. *(amended 1-24-2018)*

Budgeting

The Board of GAR shall approve an annual operating budget for each fiscal year that will project income and expenses and will provide for programs and support services as outlined in the GAR Strategic Plan for the year. The board must approve the annual budget prior to the start of the fiscal year.

Post Budget Expense Approval

If a committee wants to run a program not originally in their budget request and the committee has sufficient money in their current budget, the program needs to be approved by the Board of Directors. If a committee wants to run a program and there are not adequate funds in the budget, the committee must first go to the Executive Committee to review the budget implications. After review from Executive Committee, the request must be submitted to the Board of Directors for approval. *(amended 1-24-2018)*

Capital Expenditures

Definition

A capital acquisition is an individual asset and/or class of assets that has a useful life of more than one year and a cost of \$1,000 or more.

Budget

Anticipated capital acquisitions shall be included in the normal budgetary process, and when necessary, as part of the separate capital acquisitions budget. The annual budget shall include purchase requests for all new and replacement acquisitions.

Purchasing

Any equipment with an estimated value of \$5,000 or more shall be purchased through competitive bidding or comparative pricing by at least three vendors whenever possible. Comparative pricing or competitive bidding should also be used periodically for regularly purchased materials, supplies, services, and insurance. Purchases over \$5,000 need to be approved by the Board of Directors.

Executive Authority

The Executive Vice President shall have the authority to make purchases that are part of the approved annual budget without additional approval from the board. Such acquisitions shall be reported to the board and Executive Committee at their next regular meeting.

Property

The Executive Committee must approve the purchase or disposition of any capital asset with a value of \$5,000 or more. The purchase or sale of any capital asset of higher value shall be approved by the board of directors.

Financial Controls

- Monthly financial statements will be presented to Board of Directors at every regularly scheduled meeting.
- The President, President-Elect, Treasurer, Vice President, Past President and Chief Executive Officer and MLS Director are designated by the board to sign checks. Two signatures are required on every check.
- A credit card will be issued to the Chief Executive Officer and Treasurer for the sole purpose of GAR business. Receipts will be submitted for all credit card charges.
- Receipts for meetings at which meals which are charged to credit cards, except for personal travel, must note the names of the people at the meeting and the reason for the meeting.
- Membership dues will be reviewed and established annually.
- The association shall budget for a bookkeeper/accountant every fiscal year.
- The accountant shall perform the following monthly responsibilities:
 - Create monthly financial statements for the GAR and the BSCMLS.
 - Submit an electronic payroll bi-weekly.
 - Pay account receivables before the due date of the invoice.
 - Issue annual 1099 forms for GAR contractors.
 - Issue W-2 forms to employees.

- o Submit quarterly tax payments to the IRS and the state of Montana.
- The bookkeeper shall initial all the GAR and BSCMLS monthly and annual bills. The initials may be after the check for the expense has been written.

Financial Reserves

In order for the Gallatin Association of REALTORS® (GAR) and the Big Sky Country Multiple Listing Service (BSCMLS) to survive during an economic downturn, or unexpected and significant loss of membership, or even a hostile takeover of the BSCMLS; the board of directors designates the 2019 financial reserves into the following categories:

| | |
|--|-----------|
| 1. GAR 6-month operating reserves | \$270,000 |
| 2. BSCMLS 6-month operating reserves | \$408,000 |
| 3. GAR/BSCMLS Issues Mobilization Fund | \$150,000 |
| 4. GAR/BSCMLS 527 Fund | \$150,000 |
| 5. BSCMLS Acquisition Fund | \$500,000 |

The designated reserves categories and amounts are required to be reviewed annually at the leadership retreat. (BOD: January 21, 2019)

Financial Audits

In order to ensure financial accountability to our members, GAR and BSCMLS will have the financial statements audited annually by an independent firm on the following schedule; audit, review, review. (BOD: June 26, 2015)

The selection of the firm to conduct the audit will be recommended by the Executive Committee and approved by the Board of Directors. The firm chosen to perform the audit will be a different firm than the one that handles ongoing accounting functions for the Association.

The auditor’s report, management letter, and IRS Form 990 will be presented to the Board of Directors for approval. A copy of the audited statement will be distributed to the full Board of Directors and the Chief Executive Officer.

IRS Form 990

The association attorney shall review and approve the IRS Form 990 annual tax filing prior to submission, and submit the form in a timely manner.

The Chief Executive Officer shall ensure the IRS Form 990 is submitted to the board of directors.

Consistent with the requirements of §6104(d) of the Internal Revenue Code and the regulations there under, copies of the organization's Form 990 shall be made available, upon request, in a timely manner, and [without charge OR subject to the charges permitted by law] to any individuals who request it.

Part VII: Equipment & Inventory

Equipment

Equipment owned by GAR shall be used for GAR business only. It is the responsibility of GAR staff to ensure for maximum use of all equipment by providing for proper maintenance and following guidelines within equipment warranties and suggested use.

Inventory

GAR shall maintain a current and updated inventory of all equipment for insurance purposes covering items with a value of \$1000 or more. The inventory shall include the following:

- Description of item
- Location
- Serial number and /or model number
- Date of purchase
- Purchase price
- Warranty information

Part VIII: Risk Management

Regular Review

It is the policy of GAR to have an independent insurance consultant review the organization's insurance policies to ensure coverage and limitations adequately meet the needs of the organization, members, and employees.

GAR will purchase necessary insurance policies to insure the organization against risk. Types of insurance to be purchased will include:

- Indemnification
- General liability (personal and property damage and punitive damage) Commercial (for physical assets)
- Nonprofit Officers' and Directors' Liability (Provided by NAR)
- Fidelity Bond
- Workers' Compensation
- Auto Insurance – the Association is to be named as an additional insured on an employee's auto insurance policy.

Part IX: Personnel

Legal Compliance

The Board of Directors has a responsibility to assure compliance with both federal and state human resource and labor relations laws and regulations. These include, as applicable, the following:

- Age Discrimination in Employment Act (ADEA)
- American with Disabilities Act (ADA)
- Consumer Protection Act (CPA)
- Consolidated Omnibus Budget Reconciliation Act (COBRA)
- Equal Opportunity Employer (EEO)
- Employee Retirement Income Security Act (ERISA)
- Fair Labor Standards Act (FLSA)
- Family and Medical Leave Act (FMLA)
- Immigration Reform and Control Act (IRCA)
- Occupational Safety and Health Act (OSHA)
- Uniformed Services Employment and Reemployment Rights Act (USERRA)

In order to accomplish this, the Executive Vice President is authorized to create and maintain an Employee/Personnel Handbook and EVP Handbook. Any changes will need to be ratified by the Board of Directors. The Handbook should ensure that the rights of the employees to equitable and humane treatment are not impaired and a grievance procedure is established through which employee complaints will be resolved. The provisions of these policies applicable to employees of the Association supplement and are a part of the material set forth in the Employee\Personnel Handbook.

The Executive Vice President is encouraged to seek professional and/or legal review of human resource policies and procedures before publication.

All new employees must read the Employee Handbook before they commence work and sign a document stating that they have read and understood the material contain within.

Employees are required to review the Employee Handbook annually and re-sign a statement confirming this action. All paperwork should be kept in the employee's personnel file.

Nepotism

Board members and their immediate family members (as defined below) will be excluded from consideration for employment by the organization.

Employees shall not hold a position with the organization while they or members of their immediate family (as defined below) serve on the board or any committee of the board.

Employees may not hold a job over which a member of their immediate family exercises supervisory authority. For purposes of this policy, —immediate familyl includes the following: husband, wife, son, son-in-law, daughter, daughter-in-law, father, father-in-law, mother, mother-in-law, brother, brother-in-law, sister, sister-in-law, grandparent, and grandchild.

Sexual Harassment

GAR is committed to providing a work environment that is free of unlawful discrimination. In keeping with this objective, GAR maintains a strict policy prohibiting unlawful harassment, including harassment based on any of the following categories: race, color, religion, sex, pregnancy, disability, national origin, ethnicity or ancestry, age, or any other protected category. GAR is committed to providing ongoing education of harassment to employees and its Board members.

In particular, sexual harassment is defined as any unwelcome conduct that would not have occurred but for the employee’s gender, including but not limited to sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature that 1) has been made either explicitly or implicitly as a term or condition of an individual’s employment or 2) is used as a basis for employment decisions such as promotions and benefits affecting such individual and other offensive behavior directed toward an employee because of or on account of his or her gender, which substantially interferes with an individual’s work performance or creates an intimidating, hostile, or offensive work environment.

In addition to sexual harassment, GAR also prohibits all forms of harassment on any basis prohibited by discrimination laws, such as race, religion, ethnicity, age, and disability. While it is not easy to define precisely what harassment is, it certainly includes slurs, epithets, threats, derogatory comments, unwelcome jokes, teasing, and other similar verbal, written, or physical conduct.

Any employee who believes he or she has been or is being harassed by a coworker, supervisor, or agent of GAR should immediately report the facts of the incident(s) and names of the individuals involved to his or her supervisor or, in the alternative, to the human resources office, the chief executive, the board president, or executive committee chair. Employees who report harassment, in good faith, should not fear any reprisal (also, refer to whistleblower policy). All employees should also immediately report any incidents of harassment they witness to a management representative.

After a report of harassment is received, an investigation by management will be undertaken promptly. Any supervisor, agent, or other employee who has been found by GAR, after investigation, to have harassed another employee in violation of this policy will be subject to discipline that may range from a warning up to, and including, termination.

Independent Contractors

It is the policy of GAR to maintain a file on each individual it has classified as an independent contractor and to whom it has issued a Form 1099.

The file will include, but will not be limited to:

Montana Independent Contractors: Independent Contractors in the State of Montana will be required to submit a copy of their Letter of Exemption.

Individuals qualifying as independent contractors will sign an Independent Contractor Agreement and will be issued IRS Form 1099 if compensation is \$600 or more.

Part X: Communications

Organizational Spokesperson

There will be occasions that the Board of Directors and/or GAR will need to respond to an inquiry or significant concern. The purpose of this policy is to define the process by which such inquiries will be addressed.

To ensure the quality and consistency of information disseminated to media sources, the following policy shall be strongly enforced:

- All media inquiries are to be handled by the Executive Vice President and/or the President regardless of who the media representative is, whom he or she represents, or how innocuous the request.
- All press releases or other promotional materials are to be approved by the E.V.P. or President.
- The designated spokesperson has the right to defer to another member of the Board of Directors or staff member if it is determined that another spokesperson is indicated for any reason.
- If a member of the Board or staff is contacted and asked to speak on behalf of the Board, that individual shall contact the Board President and the E.V.P immediately.

It is noted that any statement made by a Board of Directors member or GAR staff member will carry the weight of an official policy or directive. Accordingly, statements should be limited to comments that are consistent with Board or organizational policy, procedure, or practice.

Failure to comply with the GAR's Spokesperson Policy shall be grounds for disciplinary action.

Crisis Communication

GAR is committed to taking a preemptive approach to public relations crises, using disclosure whenever possible as the preferred strategy for preventing or minimizing public relations crises.

No one is authorized to speak to the news media in a crisis without clearance from the E.V.P or President.

The Executive Committee will be responsible for developing a crisis communication strategy if the need arises.

Crisis Prevention

The Executive Committee will maintain regular contact with staff, advising the staff when internal issues or developments appear likely to lead to public relations problems.

Similarly, GAR's staff will regularly notify the Executive Committee of internal developments that may escalate into public relations crises.

The Executive Committee will also monitor local, state, and national news coverage of field issues, advising the staff of issues and/or trends that might lead to negative stories or opportunities for GAR to support public dialogue on issues central to its work.

Crisis Response

When crises erupt, the Executive Committee will gather and verify information about the crisis, assess the severity of the crisis, and develop strategies concerning how information is to be released, who should speak for GAR, and who is to be notified.

The Executive Committee and GAR staff will distribute verified information as quickly as possible to internal and external audiences.

Electronic Media

A web site will be established to provide access to member services and information to the general public. The web site will be updated on a regular basis. Information and updates will be posted by the staff.

Lobbying and Political Activity

Annually, and according to the state and local election schedule, the government affairs committee will interview state, city, county and other local candidates and make recommendations to the board for any financial support.

The government affairs committee will make a recommendation to the board on whether GAR will publicly endorse the candidate.

One recommendation is not inclusive of the other. GAR can provide financial support, but not provide an endorsement and vice versa.

The board shall give extra consideration to GAR member candidates and REALTOR® candidates. *(Amended 9-23-2015)*

An endorsement from the GAR board shall include a memorandum to the membership of the endorsement, before the board sends any communique to local media of its endorsement.

Lobbying Expenditures

- GAR engages in limited lobbying to advance its mission. It is GAR policy to adhere strictly to limitations on lobbying expenditures imposed by the Internal Revenue Service. Lobbying expenditures are reported annually to the IRS on Form 990.
- To the best of the board's ability, the annual budget will reflect costs associated with lobbying on behalf of GAR's membership.
- Both expenditures and staff time must be charged to a lobbying project code, which will indicate whether the lobbying is —direct or —grass-roots. Below is some general guidance about lobbying, as defined by the IRS.

Definition of Lobbying

- Lobbying is generally defined as communicating, directly or indirectly, with policymakers for the purpose of trying to influence legislation, whether federal, state, local, or foreign (non-U.S.).
- U.S. law divides lobbying into two principal categories: —direct lobbying and —grassroots lobbying.
- Direct lobbying involves communications that
 - Are directed towards government officials;
 - Refer to specific legislation; and
 - State or strongly imply a position on it.
- Grass-roots lobbying involves communications that
 - Are directed to segments of the general public;
 - Refer to specific legislation;
 - State or strongly imply a position on the legislation; and
 - Encourage the recipient of the communication to contact government officials with respect to the specific legislation. (This is sometimes called a —call to action.)
- In order to be considered lobbying, an activity must generally meet all the parts of either one definition or the other. In addition, there are certain exceptions to the definitions of lobbying that may apply.
- When recording lobbying expenditures, it is critical to specify whether the spending was for direct lobbying or for grass-roots lobbying.
- The Secretary of State's office can provide further advice on applying the lobbying policies.

In addition to reporting our lobbying expenses annually to the IRS, the Association is required to report to Congress twice yearly on our lobbying activities that involve trying to influence U.S. federal programs, policies, and practices through communications with congressional employees and certain high-ranking agency employees.

Communications between Nonprofit Boards and Staff

When communication channels are not clearly defined and understood by all parties the resulting confusion can, and often does, lead to negativity, decreased productivity, and a host of other problems. To lessen the chance that this situation will occur, GAR has

clearly defined a policy that outlines communication channels between staff, volunteers, and board members.

The following are GAR policy points:

- Formal channels of communication between the staff and board include written minutes of meetings and the E.V.P.'s regular reports to the board.
- Only the E.V.P. or a delegated person shall make directives to staff.
- Any complaints by members shall be expressed only through the E.V.P.
- Staff members (other than the E.V.P.) must not deal with directors on matters without permission from the EVP.
- Should any problems develop between the staff and the board, these matters should be addressed to the E.V.P.
- If a staff member has a complaint or grievance, it is expected that it will be discussed directly with the E.V.P. If a staff member makes a complaint to a director, the director should not react, but instruct the staff member that the E.V.P. should be consulted about the grievance. The board members should then follow-up with the E.V.P. and let him/her know of the situation.
- If the E.V.P. has not acted to the satisfaction of a staff member, the staff member may follow the Grievance Procedure as outline in the GAR Employee Handbook.
- Personnel problems involving staff will be handled in accordance with Personnel Policies. If a member has a concern or issue with a staff member, they should communicate that concern with the EVP and not the staff person.
- If a director strongly desires to take action which varies from existing procedures, he/she should address that opinion directly to the president, who will take it under advisement.
- Only the president may interpret board decisions to the E.V.P. In the unusual case that the E.V.P. disputes the president's interpretation of a board decision, the matter will be referred to the Board of Directors for definitive interpretation.

Part XI: Committees & Structure

GAR Standing Committees

GAR has the following standing (annual) committees:

Affiliate, Board of Directors, Executive, Education, Government Affairs, Grievance, Professional Standards and Young Professional Network (YPN).

Quorum Requirement for Committees

A quorum is a majority of the members of the committee for that year as approved by the board.

Executive Committee

Purpose: To review motions before the board of directors meetings, to maintain a long term planning function including the review of the strategic plan, act as the budget and finance committee and to supervise and evaluate the CEO as set forth in the GAR employee handbook.

Committee Makeup: President to Chair, President-Elect, Past President, First Vice President, and the Treasurer. The Chief Executive Officer shall serve on the Executive Committee as an ex-officio, non-voting member.

Nominations/Elections Committee

Purpose: To identify and solicit potential leadership for the association and conduct elections in accordance with the Association by-laws

Goals: Provide a consistent, well-prepared cadre of candidates for elected positions. Provide a talent pool for committee and task force appointments to be given to the Executive Vice President.

Process:

- The nominations committee should meet in August to determine vacancies for the following year and to brainstorm names applicants. Committee members will approach these potential candidates.
- The Nominations Chair and/or the GAR Chief Executive Officer will send a letter to all GAR members and designated brokers requesting applicants for all positions. The letter will include application forms and will outline the election dates/process.
- The Nominations Committee should meet again in May and June to determine qualified candidates. The committee will ensure that all applicants meet criteria set for each position and will need a majority vote to waive any criteria for any position. If a member of the Nominations Committee decides to run from election, they will remove themselves from the committee. The Nominations Committee will ensure that they have nominated an individual for each open position.
- If the race for any position is contested, with more applicants than seats available, the Nominations Committee or CEO will call/email applicants to reveal this before the ballots are made.
- At the July General Membership Meeting, the Nominations Chair will read the list of applicants for each position (Local Director, State Director, First Vice President, and President-Elect) and ask for nominations from the floor. The Chair will ask for nominations for each position 3 times before closing the nominations.
- Any people nominated from the floor of the General Membership Meeting must meet the requirements of the position and must agree to serve. The Nominations Committee will meet after the membership meeting to determine if those nominated will be added to the ballot. At this time, the committee will give the final list of applicants to the GAR Chief Executive Officer so the ballots can be made.

- Ballots with the names of those running for each position will be available the week after the General Membership Meeting for a minimum of 3 full weeks and a maximum of 4 full weeks. The ballots will be mailed to the REALTORS® at their preferred address on file at the GAR office. There will be a prepaid envelope to return the ballot to the GAR CPA firm. All ballots must be received in the CPA's office by 5:00 pm on the last day of voting.
- All ballots will be counted within a week of the elections closing. The GAR CPA firm will count the ballots and certify the election. The Chief Executive Officer will oversee the counting of the ballots but will not count the ballots.
- The vote count from the ballots will not be released.
- Certified winners will be forwarded to the GAR Board of Directors by the Nominations Committee Chair or the Chief Executive Officer at the upcoming Board meeting. The Board will accept the winners, certify the vote and order the ballots destroyed within 3 weeks.
- Immediately following the Board meeting, the winners will be posted via email, FAX and/or other means of communication. Any ballot recounts will be conducted by the GAR independent CPA firm or audit firm within 3 weeks of announcement, prior to the ballots being destroyed. This will be considered the final count.

Committee Makeup: President-elect to Chair, Immediate Past-President, President, and 4 members at large. The 4 members at large are to be appointed by the President.

Affiliate Committee

Purpose: To increase affiliate individual businesses by supporting the REALTORS® of the community through networking opportunities, education, and charitable contributions.

Committee Composition: Annually, a request for committee service form is sent from the incoming GAR President to the membership asking for volunteers for all the committees. The Chair is appointed by the incoming president. The Vice-Chair is appointed by the incoming president elect. *(Amended 1-27-2016)*

The GAR Board of Directors approves the committee members annually based on the members' desire to serve and the punctuality of the application.

Education Committee

Purpose: To research, select and coordinate continuing education courses that will meet the GAR membership's credit needs through a wide variety of topics and reputable instructors.

Committee Composition: Annually, a request for committee service form is sent from the incoming GAR President to the membership asking for volunteers for all the committees. The Chair is appointed by the incoming president. The Vice-Chair is appointed by the incoming president elect.

The GAR Board of Directors approves the committee members annually based on the members' desire to serve and the punctuality of the application.

Government Affairs Committee

Purpose: To assist members through collective action to promote and preserve private property rights. To get officials elected that support private property rights and economic development, at the local, state and national level. To coordinate activities necessary to accomplish the mission and strategies of GAR.

Committee Composition: Annually, a request for committee service form is sent from the incoming GAR President to the membership asking for volunteers for all the committees. The Chair is appointed by the incoming president. The Vice-Chair is appointed by the incoming president elect.

The GAR Board of Directors approves the committee members annually based on the members' desire to serve and the punctuality of the application.

Grievance Committee

Purpose: Receive complaints for Ethics/Arbitration violations, decide on the validity of complaint and if valid, forward to the Professional Standards Committee, following procedures set forth in the NAR Code of Ethics and Arbitration Manual.

Committee Composition: Annually, a request for committee service form is sent from the incoming GAR President to the membership asking for volunteers for all the committees. The Chair is appointed by the incoming president. The Vice-Chair is appointed by the incoming president elect.

The GAR Board of Directors approves the committee members annually based on the members' desire to serve and the punctuality of the application.

Professional Standards Committee

Purpose: To promote professional ethics and an understanding of arbitration procedures; to promote acceptance and understanding of the Professional Standards, Code of Ethics and professional designation requirements; receive from the Grievance Committee issues referred for Ethics/Arbitration Hearing, following the procedures outlined by the Code of Ethics and Arbitration Manual of the National Association of REALTORS; conduct Hearings and make decisions relative to those Hearings, following the procedures outlined by the Code of Ethics and Arbitration Manual of the National Association of REALTORS as amended annually.

Annually, a request for committee service form is sent from the incoming GAR President to the membership asking for volunteers for all the committees. The Chair is appointed by the incoming president. The Vice-Chair is appointed by the incoming president elect. The GAR Board of Directors approves the committee members annually based on the members' desire to serve and the punctuality of the application.

Process: Professional Standards Policy (9/26/2006)

A. PROFESSIONAL STANDARDS ADMINISTRATION Section

1.

The Professional Standards Committee and Grievance Committee are standing committees as established in the GAR Bylaws, Article XIII, Section 1. The purpose of these committees is to oversee professional standards procedures for GAR including providing grievance, professional standards, and arbitration and mediation procedures for the enforcement of the Code of Ethics and provision for the Arbitration Manual as amended annually.

All Professional Standards shall be administered according to:

- i. The NAR CEAM as amended annually
- ii. Optional policies provided in NAR CEAM as adopted by the Gallatin Association of REALTORS® Board of Directors
- iii. GAR Professional Standards Policy

B. PROFESSIONAL STANDARDS ENFORCEMENT

Section 1.

GAR estimates an expense of at least \$700 to administer an ethics or arbitration hearing.

Section 2.

Local Signatory Boards/Associations who refer a professional standards ethics complaint or arbitration request to GAR must reimburse GAR the actual cost of those services.

- a. Pay a deposit of \$500 to GAR at the time of requesting service and the remainder after the hearing panel decision has been finalized. GAR will present an itemized invoice within 5 working days of the hearing panel decision being finalized.

Section 3.

Members at large will be considered as a single group for purposes of Professional Standards Enforcement.

Section 4.

When Grievance Committee or Hearing Panel members are assigned by GAR under Section 5 (Operations) of the Multi-Board Professional Standards Procedures Agreement in accordance with GAR travel policy, local signatory Boards/Associations will cover travel expenses required, if any, in accordance with GAR travel policies.

Section 5.

GAR will allocate an amount, to be established annually in the budgeting process, for Professional Standards Enforcement to cover expenses of administering Professional Standards Enforcement. *Amended: 1/24/03*

C. OMBUDSMAN PROCEDURES**Section 1. Purpose**

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

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

Section 2. Qualifications

- a. Must have a minimum of five years in the real estate business and be actively involved in real estate practice.
- b. Familiar with the NAR Code of Ethics, Montana real estate statutes and regulations, and applicable MLS rules and regulations.
- c. Primary member of GAR.
- d. Completed Professional Standards and Mediation training and have served on a Grievance Committee and processed at least one complaint or have served on at least one Professional Standards hearing panel.

Section 3. Responsibilities

- a. Maintain confidentiality of all parties.
- b. Field and respond to any real estate questions including but not limited to:
 1. General questions about real estate practice.
 2. Transaction details.
 3. Ethical Practices.
 4. Options for filing complaints
 5. Questions of compliance with governing documents.

Section 4. Limitations

The Ombudsman may not refer concerns they have regarding the conduct of any party utilizing their services to the Grievance Committee, to the Board of Realty Regulation, a local MLS Committee or to any other regulatory body except that concerns that the public trust has been violated will be referred to the Grievance Committee.

The Ombudsman will adhere to Article 11 of the Code of Ethics and make appropriate referrals when the issues are outside their area of expertise.

Section 5. Selection and Terms

- a. Ombudsmen will be appointed by the Professional Standards Chair and ratified by the Board of Directors. Appointment will be for a two-year term and may be renewed at the option of the Professional Standards Chair and ratified by the Board of Directors. GAR will maintain a pool of at least 2 Ombudsmen to be available at all times.

Section 6. Process

- a. The Ombudsman may be contacted directly or referred by GAR staff or members.
- b. When contacted, GAR staff will offer the services of an Ombudsman as an alternative to or in conjunction with submitting a formal complaint.
- c. If a complaint is received by GAR and the complainant agrees, the Ombudsman may attempt to resolve the matter before proceeding to the Grievance Committee. If resolution is not reached, the complainant may continue with the complaint procedure as outlined in the Code of Ethics and Arbitration manual.
- d. In carrying out the assigned duties, the Ombudsman may:
 1. Contact the members who are named to obtain information to provide an informed response.
 2. Arrange a meeting of the parties to facilitate a mutually acceptable resolution as necessary.
 3. Call upon other Ombudsmen serving GAR for consultation.
- e. The Ombudsman will submit a report to the GAR Professional Standards Administrator on a form to be provided for the purpose of tracking the service and potential areas of member education.

D. MEDIATION PROCEDURES

Section 1. Purpose

Mediation is made available by GAR as a way to expedite the settlement of disputes in accordance with the following policies:

- a. GAR will mediate any disputes which are arbitral (either mandatory or voluntary) in accordance with the *Code of Ethics and Arbitration Manual* or for alleged ethics violations.
- b. Complaints brought by other REALTORS® or members of the public and naming REALTORS® as respondents may be mediated.
- c. Complaints initiated upon the motion of the Grievance Committee or initiated by the Grievance Committee upon the direction of the Board of Directors may not be mediated.
- d. Complaints alleging a violation of the public trust (as defined in Article IV, Section 2 of the NAR Bylaws) may not be mediated.

Section 2. Mediators

GAR will maintain a pool of no less than 3 mediators.

Section 3. Qualifications

- a. Must have a minimum of five years in the real estate business and be actively involved in real estate practice.
- b. Familiar with the NAR Code of Ethics, Montana real estate statutes and regulations, and applicable MLS Rules and Regulations.
- c. Primary member of GAR.
- d. Completed Professional Standards and Mediation training, NAR Mediation training or other mediation credentials approved by the Professional Standards Administrator.
- e. If possible, it is preferred that mediators have served on the Grievance Committee and processed at least two complaints or have served on at least one hearing panel, but it is not required.

Section 4. Responsibilities

- a. Maintain confidentiality of all parties.

Section 5. Complaints

When a general letter of inquiry or complaint is received and the matter(s) complained of does not involve a possible violation of the "public trust" (See Section 1, C above), the Professional Standards Administrator will notify both

parties and offer the option of mediation. If both parties agree, they will be provided with a Request and Agreement to Mediate Form and a Mediation Officer Selection Form. Forms must be returned to the GAR office and received from both parties no later than fourteen (14) calendar days from the date of the mailing. Failure to return the forms may be viewed as a refusal to mediate and arbitration or ethics procedures may be implemented at that time.

- b. If there is a written complaint, the matter will be forwarded to the Grievance Committee. If mediation is appropriate based on an arbitral issue or one which is not arbitral but complies with #5 above, or is an alleged ethics violation which qualifies for mediation, then the procedures under #6 above will be followed.
- c. Parties will receive at least two names of GAR mediators from which to choose if possible. When only one GAR mediator is available, the parties may agree on the services and proceed with the mediation. If no GAR mediator is available or the parties do not agree on using the services of the mediator(s) available, the parties may agree to arrange for an outside mediator. Costs for the services of the outside mediator will be the responsibility of the parties involved.
- d. The Mediation Officer and/or GAR Staff shall contact all parties to arrange time, location, and will coordinate with GAR Professional Standards Administrator to send written confirmation of the arrangements by certified mail return receipt requested no later than ten (10) days prior to the scheduled mediation. The mediation may proceed sooner with the agreement of the Mediation Officer and all parties.
- e. Complainants and respondents may decline or withdraw from mediation.
- f. If parties resolve the dispute through mediation, the Mediation Officer shall furnish to each party a copy of the agreement including signatures of all parties and forward the original to GAR. The original signed Mediation Resolution Agreement will be kept in the parties' files in accordance with the terms of the agreement or in accordance with GAR policies.
- g. Resolutions of mediated disputes may include but are not limited to payment of disputed funds, repairs or restoration of property, written or oral apology, or acknowledgement 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 *Code of Ethics and Arbitration Manual* and may also include payment of monies to the complaint or to a third party. Also, the

parties may agree that the complainant will withdraw a complaint or agree not to file a formal written complaint in return for the respondent's action of acknowledgement. Any discipline imposed must be agreed to by all of the parties.

- h. If the mediation conference does not successfully resolve the dispute, the Mediation Officer will advise the GAR Professional Standards Administrator that the Mediation Conference has been terminated without resolution.
 1. If the complaint was received in writing and has already been reviewed by the Grievance Committee, the Request for Arbitration or Ethics Complaint will be forwarded to the Professional Standards Committee for a hearing.
 2. If the complaint was not received in writing, parties will be informed by the Mediation Officer of their options for pursuing resolution separate from mediation.
- i. Mediators cannot refer concerns or complaints 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. Mediators are, however, authorized to refer concerns that the public trust (Section 1, C above) may have been violated to the Grievance Committee.

Failure or refusal of a respondent to comply with the terms of any mutually agreed upon 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 a complaint. The time the matter was originally brought to GAR's attention shall be considered the filing date for purposes of determining whether a complaint is filed in a timely manner.

Committee Make-up: Chair and a Vice-Chair and 10 to 12 additional members at large to be appointed by the Chair and approved by the President. Effective January 1, 2002 every Board and Association must designate a person or entity responsible for administration of professional standards processes. Persons primarily responsible for administration of professional standards processes must have successfully completed training on professional standards administration meeting the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time.

Awards Committee

Committee Composition:

The President shall appoint, with the board of director's approval, a committee of three (3) association REALTOR® members and one association affiliate member to the committee.

(Amended 7/27/2016)

The Gallatin Association will receive nominations for the following annual awards:

- REALTOR® of the YEAR (ROTY)
- Affiliate of the Year (AOTY)
- Rookie of the Year (ROOTY)

Qualifications:

REALTOR® of the YEAR (ROTY)

REALTOR® Spirit 15%-High principals, faithfulness to laws and regulations of the Code of Ethics and local board, furtherance of principles of good real estate practices among other brokers and the general public

Civic Activity 20%-Local, state, and national level participation in civic and service clubs, charitable activities, political commissions, fraternal or religious groups.

Business Accomplishments 20%-Recognized good business conduct, service to clients, educational participation, effective and measurable marketing.

Local Association Activity 20%-Association/committee leadership and participation, association event participation.

State Association Activity 20%-Offices held, committee participation, attendance at state events/conventions, educational conferences.

National Association Activity 5%-Committee attendance/participation, convention attendance, membership in national Institutes, i.e. CRS, ABR.

AFFILIATE of the Year (AOTY)

How do the nominee's efforts directly benefit the association and its members (40%)?

What are the specific results of the nominee's efforts? Sponsorships, committee participation, attendance at GAR events (40%).

Has the nominee recruited any new affiliates to GAR (10%)?

Other committee participation by the nominee (10%).

ROOKIE of the Year (ROOTY)

Hold a Montana real estate license for at least 12 months, but not more than twenty four months.

Participation in association events and committees (40%).

Sales information for the time that the nominee has held their license (40%).

Submission of professional goals for the next 12 months (10%)

Submit a sample of their marketing material for their business (10%)