

# **POLICY MANUAL**

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SECTION ONE  
AWARDS & HONORS

1.1: AFFILIATE OF THE YEAR

- A. Selection of the Affiliate of the Year shall be the responsibility of the REALTOR® of the Year Committee.
- B. Recognizing that Affiliate members provide significant contributions and outstanding service to the Ann Arbor Area Board of REALTORS®, the REALTOR® of the Year Committee may award the Affiliate of the Year honor to one such Affiliate member. However, it is not mandatory that the award be made each year.

1.2: REALTOR® OF THE YEAR

- A. The REALTOR® of the Year shall be the only such REALTOR® award program made by the Ann Arbor Area Board of REALTORS®.
- B. To enhance the true value and meaning of the ROTY award, it is clearly stipulated that there is no absolute requirement that a ROTY be selected each year. To the contrary, the award is only to be made when an Ann Arbor Area REALTOR® clearly demonstrates worthiness for the honor in any given year.
- C. ROTY and AOTY recipients who are Active Members of the Board, and available locally are to be sent notices of Selection Committee meetings. The committee itself will then be those past recipients who attend such meetings.
  - 1. The ROTY recipient twice removed shall serve as chairman.
  - 2. Any previous recipient whose spouse is a nominee is ineligible to serve on the Selection Committee that year.
- D. The Selection Committee should hold its final meeting to review nominations on or before June 30 each year. Any nominations received by the time the meeting starts are eligible for consideration.
  - 1. To meet this schedule, initial solicitation of nominations from the membership shall begin in mid-April.
- E. All members should be invited to submit names to the Selection Committee for consideration. Such invitations should include the recommended ROTY guidelines published by MAR, except that the percentage factors need not necessarily be applied, and should be deleted from the local nomination form.
- F. The current President and the immediate Past President are not eligible. Every other resident REALTOR® Member of the Board is eligible for consideration as the ROTY, and there shall be no other limitations or priority on eligibility. This should be clearly emphasized in any solicitations for nominations.
- G. All nominations should be typed in the official Nomination Form distributed each year.
  - 1. Any individual who places a member in nomination should so advise the member to ensure complete, accurate and up-to-date information.

2. Members of the Selection Committee shall also have the right to place names in nomination in the same manner as anyone else.
- H. Formal presentation of the new ROTY should be made to the membership at the earliest practical meeting following selection. However, exact scheduling should be left to the Chief Executive Officer on the basis of required timing for appropriate news coverage, etc.
1. Until formal presentation to the membership, the identity of the new ROTY shall be held in the utmost confidence within the Selection Committee. The ROTY may be notified if deemed necessary by the committee.
  2. However, the individual who nominated the recipient should be advised to ensure that the recipient attends the presentation meeting.
- I. The Ann Arbor Area Board's ROTY is to be personally invited to attend the MAR Fall Convention that year. The ROTY and guest will be provided with full reimbursement for attendance at that meeting under the terms of the Board's Reimbursement Policy.
1. Members of the ROTY's firm are to be particularly encouraged to attend the MAR meeting and support the Ann Arbor Area ROTY.

### 1.3: FLOWER AND GIFT POLICY

- A. In the event of illness or other notable event of a Director or Past President, a card or flowers will be sent when appropriate.
- B. In the event of illness or death of family members of staff or members, a card, flowers or donation will be sent when appropriate.
- C. In the event of the death of a member or a member's immediate family member, notice of death and funeral arrangements will be provided to members upon permission of the family or information provided by the Broker/Manager.
- D. In acknowledgement of the death of a member, a donation will be made to the Michigan Association of REALTORS® Scholarship Trust (MARST).

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SECTION TWO  
**BOARD OF DIRECTORS**

2.1: RESPONSIBILITIES OF THE PRESIDENT

- Preside at all meetings of Directors & Membership.
- Attend all State and National Association Meetings with the Chief Executive Officer representing the Board at all such functions.
- Recommend all committee appointments (note: Vice Chairs are appointed by the President-elect).
- Have an understanding of the total concept of the Association (local, state, and national).
- Conduct a well-run meeting.
- Serves as delegate of the Board at all Michigan Association of REALTORS® delegate body meetings.

Desired Characteristics:

- Be dedicated to entire membership.
- Communicate effectively and be a good listener.
- Know the extent of his/her position and authority.
- Devote necessary time and resources.
- High level of professionalism.
- Firm but diplomatic.
- Open-minded.

2.2: RESPONSIBILITIES OF THE PRESIDENT-ELECT

- Support the President.
- Preside over official meetings in the absence of the President.
- Devote necessary time and commitment in preparing to become the President of the Board.
- Recommend all committee Vice Chair appointments.
- Have an understanding of the total concept of the Association (local, state, national).
- Attend all Board of Director and Executive Committee meetings and other scheduled events of the Board when possible.

- Serve as member of the Finance Committee to foster understanding of Board finances and the budgeting process.
- Attend the National Association of REALTORS® Annual Convention. A guest is permitted to accompany the President-elect.
- Serves as delegate of the Board at all Michigan Association of REALTORS® delegate body meetings and as delegate of the Board at the National Association of REALTORS® Annual Convention delegate body meeting.

Desired Characteristics:

- Be dedicated to entire membership.
- Communicate effectively and be a good listener.
- Know the extent of his/her position and authority.
- Devote necessary time and resources.
- High level of professionalism.
- Firm but diplomatic.
- Open-minded.

2.3: RESPONSIBILITIES OF THE TREASURER

- Chair of the Finance Committee.
- Oversee the preparation of the budget for the ensuing year.
- Explains the proposed budget to the Directors and the membership.
- Carefully reviews the monthly and quarterly financial statements of the Board. Reports any concerns to the Board of Directors for action.
- Monitors actual income and expenditures against those budgeted.
- Ensures that the Finance Committee performs responsibilities as outlined in the approved "Finance Committee Policies and Procedures".
- Knows the extent of his/her position and authority.
- Devotes necessary time and resources.

Desired Characteristics:

- Strong financial background.
- Analytical skills.
- Reliable and trustworthy.

#### 2.4: RESPONSIBILITIES OF THE EXECUTIVE COMMITTEE

- The elected officers of the Board and the Chief Executive Officer shall comprise an Executive Committee which shall have such duties as its title, by general usage, would indicate. It shall be subject to the orders of the governing body of the Board, and none of its acts shall conflict with action taken by the governing body.
- Special meetings may be called by the President or the Chief Executive Officer as needed.
- Be able to give time to Board needs and attend meetings.
- Be familiar with Board-governing documents.
- Read materials before meetings.
- Serve as an example to the general membership and be attentive to their needs.
- Respect confidentiality of their offices.
- Review and recommend committee appointments.

#### 2.5: RESPONSIBILITIES OF THE DIRECTORS

- Make a commitment to:
  - Provide support, back up ideas and decisions.
  - Attend all meetings of the Board of Directors.
  - Review the official minutes of each Board of Directors Meeting to ensure accurate records.
  - Study Director's Agenda and materials prior to meetings.
  - Participate in General Membership Meetings, Director Retreats, and other appropriate functions.
- Make policy decisions consistent with governing documents.
- Leave staff-related decisions to the Chief Executive Officer.
- Serve as conduit from membership to leadership and to the CEO.
- Define clear expectations of the CEO.
- Identify important community issues (zoning, ordinance revisions, etc.).
- Adopt the annual operating and capital expenditure budgets, and the level of dues and MLS user fees for all classes of membership.

- Elect Officers for each ensuing year in accordance with the provisions of the Board's Bylaws.
- Review and adopt Decisions on all Professional Standards Hearings conducted by the Professional Standards Committee.
- Serve as appeal body for any Ethics or Arbitration hearings held by the Professional Standards Committee of the Board.
- Review and approve all committee goals and appointments as recommended by the President.
- Review all recommendations for action by the committees of the Board. Final action is determined by the Directors.
- Appoint/employ or dismiss persons/agencies necessary for the transaction of the business of the Board, including legal counsel, accounting professionals, and other such support positions.
- Employ an Executive Officer, who shall be known as the Chief Executive Officer.
- Receive and review periodic reports on the financial condition of the Board. Investment and reserve policy is also approved by the Directors.
- Carry out the responsibilities of Director Liaison to the committee appointed.
- Be familiar with Board Bylaws, MLS Rules and Regulations and the Policies and Procedures Manual.
- Respect confidentiality of their offices.
- Recognize Robert's Rules of Order as the authority governing all meetings of the Board of Directors.
- Review and sign confidentiality agreement.
- Antitrust — All members of the Board of Directors must be aware that certain topics are not proper subjects for discussion and consideration at any Board meeting of members, officers, committees or Directors, whether formal or informal. Any action or proposed action which is intended to eliminate, restrict, or govern competition among members is a violation of antitrust laws. Discussion at Board meetings relating to significant factors of competition among the members may be construed as an attempt to agree upon a common course of business conduct. Such discussions are not encouraged or condoned by the Board. Further, Directors have the affirmative obligation to take action to cease any such discussion.
- Absence from three regular meetings during a calendar year is deemed as resignation.

## 2.6: RESPONSIBILITIES OF DIRECTOR LIAISONS

- Attend all meetings of the committee assigned.

- Act as a conduit to communicate ideas of the committee to the Directors and the rationale of the Directors back to the committee.
  - Keep committee on target with the charges/goals of the committee.
  - Contribute ideas and references which may assist with the work of the committee.
  - Make the report of the committee to the Directors.
  - Present all committee motions to the Directors for action.
  - Does not have a vote, unless a current committee member.
  - The Director Liaison should check with the committee chair prior to and after the meetings to keep informed of any matters that may need Director Liaison assistance.
- 2.7: The regular meeting of the Board of Directors shall take place on the first Wednesday of each month beginning at 8:30 a.m.
- 2.8: The Agenda for the Board of Directors meeting is determined seven (7) days prior to the actual meeting date, at which time the Agenda is closed. However, the Executive Committee will have the authority to add topics to the Agenda at their discretion.
- 2.9: Board of Director Meeting will utilize both a "Consent Agenda" for items that are merely to be received by the Directors and a "Business Agenda" for items that involve policy or expenditures outside of the budget and need discussion and action by the Board of Directors.
- 2.10: Minutes of the Board of Director meetings will be made available in the Board office for viewing by the membership upon request.

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**SECTION THREE**  
**BOARD FACILITIES**

- 3.1: The Board classroom/conference room will be made available for authorized purposes, on an availability basis. No alcoholic beverages allowed. Appropriate fees will be charged. The renter to clean and reset tables to predetermined setup after each use to avoid the applicable additional charge for failure to do so.
  
- 3.2: Use of Board office facilities after normal working hours will be the responsibility of the Chief Executive Officer.

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## SECTION FOUR COMMITTEES

- 4.1: The following Committee Policies & Procedures document is hereby made a part of this policy manual.

Committees are the limbs of the organization. They gather information, review materials received which fall within the goals and responsibilities of their respective committee, develop recommendations of what the Board should be doing in various aspects of local, state and national involvement as well as how our members can best be served through their membership in the Board.

RECOMMENDATIONS OF THE COMMITTEES are directed to the Board of Directors through the motions made at committee meetings. The Directors will review the motion recommendations of the committees and approve as submitted, approve with modifications, refer the matter back to the Committee, or deny the motion. In cases where a committee motion is not adopted, it will be returned to the committee with the Directors' rationale for their decision. Motions must be sent to the Board of Directors early enough to allow for their approval/decision "prior" to any action being taken by the committee or expending the funds.

A DIRECTOR LIAISON is appointed by the President to each committee. This is a Director of the Board who is responsible for attending that committee's meetings in order to act as the "liaison" from the committee to the Board of Directors and back to the committee. This policy provides for the "intent" and rationale of committee motions to be presented to the Directors before they make their decision. It also provides for the reasoning of the Directors to be communicated back to the committee.

GOALS AND RESPONSIBILITIES of each committee for the ensuing year are developed by the incoming President in conjunction with input from incoming and outgoing Directors, the Chief Executive Officer, and the staff directors.

UPON RECEIPT OF COMMITTEE REQUEST FORMS for appointment to committees, the Staff Liaison will review requests for their committee and develop a list of members requesting that committee. The Chair and Director Liaison may also contact and add members to the list. Appointments to Committees are made by the incoming President with final approval by the Board of Directors. Special care must be taken to provide for fair representation of all member offices.

Additional appointments and/or removals on a committee can be made at any time throughout the year, as approved by the President.

THE FIRST MEETING of each newly appointed committee will include direction for the committee from the Chair, will establish a meeting schedule for the year, and will review budget for the committee (when applicable).

CORRESPONDENCE addressed to the Board may be directed to an appropriate committee for review. The Chair of the Committee is advised of its receipt and content in order that it may be included in the committee meeting agenda.

CONTRACTS AND/OR COMMITMENTS made in securing facilities for scheduled events, obtaining necessary supplies, etc., must be made in the name of the Board and include the Chief Executive Officer or the Membership Director as the contact person, the

Board office as the address to receive such contracts, and must carry the authorized signature of the Chief Executive Officer.

MONIES RECEIVED by committees in connection with scheduled events must be delivered to the Board office for accounting and record keeping purposes. Any funds received by the Board office for such events may not be removed from the Board office. Likewise, any expenses incurred for scheduled events must be invoiced to the Board office where they will be approved for payment by the Chief Executive Officer, or the Director of Finance and Administration.

PARLIAMENTARY PROCEDURES REGARDING MOTIONS: Motions must be clearly stated and properly supported. If a motion is not seconded, it fails. Once a motion is made and properly seconded, there may be discussion. A motion can only be made when there is a quorum present. After discussion, a call for the vote is made by the Chair. If a committee member wishes to go on record opposing a motion, they must state this to the recording secretary.

#### 4.2: DUTIES AND RESPONSIBILITIES OF THE CHAIR

- Review the agenda for committee meetings with the staff liaison prior to distribution to committee members.
- Call the meeting to order when a quorum is present.
- Conduct the meeting in accordance with the agenda (NOTE: When guest speakers are in attendance, the Chair may elect to alter the sequence of the agenda).
- Cannot make a motion but can suggest one.
- Votes only in the case of a tie; can also create a tie.
- May elect to attend the Directors meeting to present a recommendation of the committee and is encouraged to do so.
- Provide the staff liaison with outgoing correspondence to be prepared for the appropriate signatures.
- Review the minutes of each meeting.
- Review committee members' meeting attendance with the staff liaison; if necessary, contact members with excessive absences to determine their desire to continue on the committee; advise staff of any members who will not be continuing on the committee.
- Prepare a year-end report for the committee, provided to the Board of Directors and place a copy in the ensuing year's committee file.

#### 4.3: DUTIES AND RESPONSIBILITIES OF THE COMMITTEE VICE CHAIR

- Chair the committee meeting when the Chair is absent.

#### 4.4: DUTIES AND RESPONSIBILITIES OF THE COMMITTEE MEMBERS

- Attend the committee meetings (three absences during the year constitute automatic resignation from the committee).
- Review the materials sent prior to a meeting and to bring those materials to the meeting.
- Provide input to the committee meetings.
- Work with the Chair and committee members in accomplishing goals established by the President, the Board of Directors and the committee.

#### 4.5: DUTIES AND RESPONSIBILITIES OF THE STAFF LIAISON

- Staff liaison to send copies of the Agenda and Minutes from the last meeting to committee members one week prior to the next meeting.
- Record the minutes of committee meetings and prepare the appropriate Action Request Forms and see that they are typed, approved and distributed to the appropriate persons.

- Notify the chair of the attendance record of committee members; if advised by the Chair, the staff liaison will remove the member from the committee and send the appropriate correspondence to the member.
  - Report the status of the committee budget (when applicable) to the committee.
  - Maintain an outline of annual committee projects to pass on to succeeding committees.
  - Provide guidance to committee chairs as to which motions require Director approval and which Board policies may be involved in any actions of the committee.
  - Staff Liaison to maintain an accurate list of those members who have donated to committee events/courses and coordinate the appropriate acknowledgment and thank you letter.
  - Any and all directions from Directors, Committee Chairs, or Committee members for staff support MUST be funneled through the Chief Executive Officer (There may be instances when the staff may not be aware of other commitments which may interfere with the timely completion of a request or directive. Also, the administrators cannot effectively manage those things of which they are not aware).
- 4.6: Per the Board Bylaws, absence from three (3) meetings by a member appointed to a committee is deemed resignation. After two (2) absences by a committee member, staff will advise the Chair of the member's attendance record. It will be the responsibility of the Chair to contact the member and advise the staff liaison whether the member will continue serving on the committee.
- 4.7: The Chairperson of each committee shall have the authority at their discretion to reinstate members to the committee.
- 4.8: Motions from committees for expenditures should be made to the Board of Directors enough in advance to allow Director action prior to the expenditure being made. Further, such motions should include whether or not the expenditure is a budgeted item and the unused budgeted amount for the committee.
- 4.9: Any sub-committee request is made to the parent committee which may or may not forward a motion to the Board of Directors for approval.

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SECTION FIVE  
**EDUCATION & EVENTS**

- 5.1: Any individual wishing to audit a designation course within their achieved designation may receive a 50% discount. Proof of certificate is required.
- 5.2: It shall be the responsibility of the staff to establish a fee for non-members of the Board to attend a Board-sponsored educational offering or event. The fee established may be higher than the fee charged to members, as allowed by law.
- 5.3: A fee will be charged for any cancellations made less than one week before event begins. NO REFUNDS will be given once event begins.
- 5.4: Cancellation of scheduled seminars shall be determined by the Chief Executive Officer after taking into consideration the terms of the speaker's contract, registrations, etc.
- 5.5: Directors are allowed to attend, at no charge, any educational/board event that does not involve credit for a designation or licensure.
- 5.6: Board charitable contributions shall be allocated to only housing-related, non-profit organizations.
  - A. On an annual basis, the Board of Directors or an assigned task force from the Board of Directors shall recommend in conjunction with the budget planning processes, one or more real estate/housing-related cause(s) that they approve to pay contributed dollars from the specified Board-sponsored event/activity.

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**SECTION SIX  
ELECTION PROCEDURES**

- 6.1: Election procedures for the Board of Directors shall be followed as detailed below:
- A. Staff to appoint Tellers: (3 required; recommend 3 more tellers to help).
  - B. Staff to be on hand with alpha printout of eligible members, current as of date of election, to pass out ballots when checking in each member.
  - C. Use printed ballots listing nominees alphabetically. When more than one ballot is necessary due to different term positions to be filled, each ballot is printed in a different color.
  - D. President to announce election procedures:
    - Verify all active members have checked in and have ballot.
    - Announce quorum necessary (10%).
    - Announce Nominating Committee.
    - Votes cast in person, no proxy or absentee.
    - Directors to be elected by plurality with tie votes determined by lot.
    - MUST vote for number of candidates equal to number of vacancies to be filled.
    - Voting for more or fewer candidates than vacancies to be filled will void the entire ballot.
    - Announce that polls are open (As a courtesy, ballots can be accepted early from members who are unable to stay for the meeting).
  - E. Candidates to be introduced and given the opportunity to make a statement (up to two minutes).
  - F. President to allow adequate time for members to cast votes and after asking if all have been cast, Announce "POLLS CLOSED". No more ballots to be distributed or votes cast after polls are closed.
  - G. Tellers collect ballots and adjourn to separate room for counting.
  - H. Upon receipt of full teller's report, announce total results:
    - 1. Number of ballots cast.
    - 2. Number of illegal/void ballots cast.
    - 3. Identify candidates elected.
  - I. Ask for a motion to destroy the ballots. Ballots are collected by staff and destroyed.

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**SECTION SEVEN  
EMPLOYEE-RELATED**

- 7.1: No employee of the Ann Arbor Area Board of REALTORS® may engage in any real estate activity for which a license is required.
- 7.2: The Board may hire members of an employee’s immediate family as long as there is not a supervising relationship between the two related parties. For purposes of this section, immediate family includes spouse, children, siblings, parents, grandparents, and the employee’s spouse's children, siblings, parents and grandparents.  
If two present employees marry or otherwise become closely related, they may not both work at the Board if they have a supervisory relationship.
- 7.3: The “Chief Executive Officer Evaluation Procedures as Conducted by the Personnel Committee” document shall be the Chief Executive Officer’s official evaluation form.
- 7.4: The Personnel Committee will refer to the Chief Executive Officer Evaluation Procedures for direction in conducting their annual review of the Chief Executive Officer.
- 7.5: The Personnel Committee shall be comprised of eleven members who shall include:
- Current President
  - Current President-Elect
  - Incoming President-Elect
  - Current Treasurer
  - Current Treasurer-Elect
  - Incoming Treasurer-Elect
  - Immediate Past President
  - Affiliate Director
  - 3 additional members

To be eligible for appointment to the Personnel Committee, appointees must, within a three (3) year period immediately preceding their appointment, have served in at least one of the following positions: President, Director or a Committee Chairperson of the Ann Arbor Area Board of REALTORS®.

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**SECTION EIGHT  
FINANCES**

- 8.1: The Board will accept VISA, MASTERCARD and DISCOVER payments in addition to payments of cash and check-
- 8.2: All fees related to membership or education/social events require payment at the time of application or registration.
- 8.3: All bills will be delivered to the e-mail address on file for each person billed. The Board will utilize various methods to communicate invoice delivery and invoice due dates. The method of communication will primarily be one or more of the following:
- Direct email to each person's address of record
  - A Headline on the Board's Home Page
  - A message on the 'Message of the Day' within MLXchange

Failure to receive a bill or notification of a bill does not qualify as an acceptable reason to avoid paying the bill or to avoid the associated late fees or resulting suspension.

The date payments are 'physically received in the Board office' or posted via a transaction 'received through the Board's electronic commerce system' is considered the date the Board received payment. The date payments are written or postmarked do not qualify as the date the Board receives payment.

- 8.4: A NSF check charge will be assessed for any check received that is returned unpaid by the bank.
- 8.5: Payment for all Board services may be required to be in cash, bank check or certified funds where there is a history of checks returned unpaid by the bank.
- 8.6: Those with account balances 60 days past due will be given 30 days notice to pay in full. The account may be assigned to a collection agency if the amount owing is not paid within 30 days from the date of such notice. Delinquent account holders assigned to a collection agency will be required to pay fees equivalent to those charged by the collection agency in addition to the full amount due on their account.
- 8.7: Former Members reinstating after their account has been assigned to a collection agency will be required to pay the full amount due on their account including fees equivalent to those charged by the collection agency (if any) in addition to any applicable reinstatement fee and membership dues.
- 8.8: Dues for new members shall be computed from the first day of the month in which application is made and shall be prorated for the remainder of the billing year. New Member dues are not refundable. Members affiliated with more than one brokerage will not be charged duplicate dues.
- 8.9: Annual Dues Billing:
- A. A late fee shall be placed on the accounts of REALTOR® Members who have not paid their renewal membership dues by the specified due date. The late fee for unpaid membership dues shall be removed at the time the REALTOR® Member is terminated by the Board of Directors for reason of non-payment of membership dues or if unpaid one (1) month after other termination
  - B. For Members billed prior to the first (1<sup>st</sup>) business day of December: All Board and MLS services of the nonpaying Member's office will be suspended if payment in full including any

related late fee is not received by the Board Office prior to the first business day of the year for which the dues are for-

- C. For Members billed on/after the first (1<sup>st</sup>) business day of December: All Board and MLS services of the nonpaying Member's office will be suspended-if payment in full including any related late fee is not received by the Board Office prior to the last business day of January of the year for which the dues are for.
  - D. The Board of Directors may direct staff to terminate nonpaying individuals in the event dues, late fee and/or related fees remain unpaid. Such action is in accordance with Article X, Section 4 of the Board's Bylaws. Please note, the Designated REALTOR® Member of any REALTOR® Member terminated under this scenario will remain responsible for the equivalent fees for the non-member licensee as described in Article X, Section 2 (a) of Board Bylaws.
  - E. All requests by renewing Members for refunds of Local, State and National dues will be approved if submitted to the Board in writing prior to the Board's first business day of the year for which the dues are allocated. A processing fee will be deducted from any renewal dues refunds.
- 8.10: Fees for intra-firm transfers shall be waived. "Intra-firm" refers to firms under the same ownership.
- 8.11: Salespersons who were terminated because their Designated REALTOR® was terminated for reason of non-payment may be reinstated-within 30 days without payment of any reinstatement fee.
- 8.12: A Member broker shall be entitled to a waiver of the application fee on behalf of any licensee who is currently licensed with the broker as a REALTOR® Member in another Board. Applicant shall not be required to attend orientation.
- 8.13: A Board credit card will be provided to the President, President-Elect, CEO, Staff Directors, and the Membership, Education, and Events Manager to cover board expenses.
- 8.14: The primary signatures on Board accounts shall be the CEO and the Director of Finance and Administration. The Members of the Executive Committee shall serve as backup signers, as necessary. The Director of Finance and Administration shall be authorized to sign checks with another Executive Committee Member in the absence of the CEO.
- 8.15: The Finance Committee will review the monthly financial statements of the Board. The Board of Directors will review financial statements quarterly.
- 8.16: Fund equity designations shall include:
- A. An amount approximating 20% of the current year's budgeted operating expenses, as adjusted.\*

\*Adjustments to the current year's budgeted operating expenses for this purpose shall include:

- adding budgeted principal loan payments.
- subtracting budgeted depreciation.
- subtracting budgeted expenses that have directly offsetting revenues line items.

(i.e. Cost of Sales, Special Events, Education, Reciprocity).

- B. An amount approximating the balance of any remaining capital expenditures that have been authorized by the Board of Directors.
  - C. Any other amount for reasons as determined necessary by management of the Board.
- 8.17: The Board should conduct selection procedures every three (3) years for legal counsel, auditors, and business insurance services.
- 8.18: Members are allowed to submit competitive bids to the Board for services such as insurance, construction, etc. Member's bids will be evaluated objectively in relation to all other bids.
- 8.19: A. Agent Direct MLS Billing: MLS user fees shall be invoiced in advance to all MLS Participants and Subscribers. Agent Direct MLS billings shall be processed one month in advance of each calendar quarter and shall be due on the day immediately preceding the applicable calendar quarter of MLS services.
- 1. A five percent (5%) late payment charge shall be applied to the individual's account whenever any amount of their Agent Direct MLS bill remains unpaid on the first (1<sup>st</sup>) business day immediately following the due date.
  - 2. MLS and SentiLock services shall be suspended in the event payment of the Agent Direct MLS bill is not received in full by the Board Office by the fifth (5<sup>th</sup>) day following the due date.
- B. Agent Direct SentiLock Billing: SentiLock service fees shall be invoiced in advance to SentiLock card holders who have not opted out of the service. Agent Direct SentiLock billings shall be processed one month in advance of each calendar quarter and shall be due on the day immediately preceding the applicable calendar quarter of SentiLock services.
- 1. A five percent (5%) late payment charge shall be applied to the SentiLock card holder's account whenever any amount of their Agent Direct SentiLock bill remains unpaid on the first (1<sup>st</sup>) business day immediately following the due date.
  - 2. MLS and SentiLock services shall be suspended in the event payment of the Agent Direct SentiLock bill is not received in full by the Board Office by the fifth (5<sup>th</sup>) day following the due date.
  - 3. Service fees for new card holders opting in prior to the 15<sup>th</sup> of the month will be computed effective the month the card holder opts in. Service fees for new card holders opting in on or after the 15<sup>th</sup> of the month will be computed effective the first of the following month.
  - 4. Credit will be issued for card holders billed that have opted out of the SentiLock service before the applicable service quarter begins. Individuals that opt out during a service quarter will receive neither partial nor full credit for fees covering the applicable service quarter.
  - 5. Nonpaying card holders shall be terminated in the event payment in full is not received by the Board Office by the last day of the month in which they are suspended.

- 8.20: Office MLS Billing: MLS Participants shall be invoiced monthly for any-purchases on credit and all other applicable fines and fees.
- A. A delinquent account fee amounting to the lesser of (25% of the account balance) or \$50 shall be charged to the account of the Designated REALTOR® when the Designated REALTOR® has any amount one (1) month past due and has been delinquent one (1) month past due at least two (2) prior times within the previous 12 months.
  - B. The non-paying office's MLS services shall be suspended in the event payment in full is not received by the Board Office by two (2) months following the billing date.
  - C. The nonpaying Office shall be terminated in the event payment in full is not received by the Board Office by the last day of the month in which the non-paying office was suspended.
- 8.21: The principal Member and/or Designated REALTOR® of each firm, partnership or corporation shall bear ultimate responsibility for payment of all amounts owing to the Board.

Exceptions:

Fees associated with SentiLock equipment and services shall remain the ultimate responsibility of the card holder

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**SECTION NINE**  
**FORMS**

- 9.1: Board forms are available only to REALTORS® and Attorneys, with the exception of the Seller's Disclosure Form, which is available to the public.
- 9.2: Forms provided to attorneys will be accompanied by a letter stipulating that the forms are for the attorney's use and are not to be provided to the general public.
- 9.3: The Washtenaw Bar Association Residential Lease Agreement will be the approved Residential Lease for the Ann Arbor Area Board of REALTORS®.

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**SECTION TEN**  
**LEGAL COUNSEL**

10.1: **SCOPE OF POSITION:** To assist and advise the Ann Arbor Area Board of REALTORS®, hereafter referred to as the Board, in the legal affairs of the Association.

**QUALIFICATIONS:**

- Have a good balance of common sense, sound judgment, and legal knowledge, particularly of the real estate industry and trade association laws.
- Have experience in corporate, antitrust, civil rights and municipal law.
- Understand the Board's structure and operations, including the area of Professional Standards and Ethics.
- Be available to advise regarding developing legal trends relating to trade associations.
- Have adequate staff and facilities to represent and manage all the Board's legal affairs.
- Be comfortable with the Board and willing and able to communicate advice in terms the association's audience can understand.

**RESPONSIBILITIES:**

- Respond to questions and advise the Chief Executive Officer on matters concerning legal aspects of Board operations.
- Negotiate, draft and/or review contracts involving the Board or the Multiple Listing Service.
- Correspond with those who have addressed the Board where response from counsel is requested by the Chief Executive Officer and/or the Board of Directors.
- Review and advise on cases and legislation affecting the Board and its members.
- Review and advise on Articles, Bylaws, Rules and Regulations and any amendments to these governing documents.
- Keep current on National and State Association policies, litigation, recommendations and legal activities.
- Represent, or recommend representation, for the Board in litigation when necessary.
- Read, analyze and advise the Board on matters disclosed by the Minutes of the Board of Directors Meetings and/or any other official meeting minutes which are of concern to the Chief Executive Officer or the Board of Directors.

**Note:** Counsel may also be asked to advise in advance of a meeting on matters which appear on the Board of Director's agenda.

- Read, analyze and advise on issues in publications received from the national, state, and local associations, when requested.
- Respond to questions concerning ethics and arbitration hearings.
- Attend Professional Standards Ethics Hearings for the purpose of advising the Hearing Panel. Review all Professional Standards cases, decisions, etc. and be available for consultation to the Chief Executive Officer relative to Professional Standards matters.
- Conduct briefings for Grievance and Professional Standards Committees in conjunction with the Chief Executive Officer.
- Furnish written legal opinions to the Board of Directors as requested.
- Attend the Board of Directors, General Membership, and Committee meetings as requested.
- Attend meetings and seminars sponsored by the National, State and Local Associations which have a legal impact.
- Devote the necessary time to learning and keeping current with the Board's governing documents (Bylaws, Rules & Regulations, Policies, Professional Standards Procedures, etc.) and all issues and regulations which affect the Board and the real estate industry (i.e., licensing rules and regulations, legislative actions, etc.).
- Assume other responsibilities as assigned.

10.2: Legal Counsel Selection Process

A. The Board should conduct legal counsel selection procedures every three (3) years.

B. The Search Committee

1. The Search Committee should consist of five (5) members, with committee make-up as follows:
  - (a) one (1) member from the Board of Directors
  - (b) one (1) member from the Executive Committee, NOT the Board President
  - (c) one (1) Past-President
  - (d) two (2) REALTOR® members who are selected from the Ann Arbor Area Board of REALTORS® membership

**Note:** It is suggested that at least one (1) member come from the MLS Committee.

2. The Chief Executive Officer of the Board shall have full participation, but shall not be a voting member.
3. It is emphasized that the members of the Search Committee should have a background in MLS, Professional Standards, and/or the law. It is understood that the Chief Executive Officer will have background in Professional Standards, and will provide input from that direction.
4. The Search Committee will be responsible for:
  - (a) reviewing all applications for legal counsel.
  - (b) preparing the interview questions.
  - (c) determining who will be interviewed.
  - (d) conducting interviews.
  - (e) submitting recommendations and supporting documentation to the Board of Directors.

10.3: Board counsel shall represent the Board if the occasion of conflict of interest occurs. It is important that Board members and counsel understand that the Board attorney is not paid by the Board to represent any member on an individual basis. Board counsel represents the Board.

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**SECTION ELEVEN  
MEETING REIMBURSEMENT**

11.1: In the event any individual who is otherwise scheduled for reimbursement by Board policy is reimbursed from any other source, no reimbursement will be made by the Board. For all others scheduled for reimbursement by the Board, the following reimbursement guidelines will apply:

<b>Michigan Association of REALTORS® Meetings</b>		
<b>Winter</b>	CEO President President-elect Director MAR Committee Chair	Level A Level A Level A Level C Level C
<b>Annual</b>	CEO President & Guest President-elect ROTY & Guest Director MAR Committee Chair Alternate Delegate	Level A Level A Level A Level A Level C Level C Level C
<b>AE Institute</b>	CEO	Level A
<b>National Association of REALTORS® Meetings</b>		
<b>Mid-Year (Legislative)</b>	CEO President President-elect NAR Committee Chair NAR Committee Member	Level A Level A Level A Level B Level D
<b>Annual</b>	CEO President President-elect & Guest NAR Committee Chair NAR Committee Member MAR Director	Level A Level A Level A Level B Level D Level E
<b>Leadership</b>	CEO President-elect	Level A Level A
<b>AE Institute</b>	CEO	Level A
<b>(See paragraph 11.2 for description of reimbursement Levels A through E.)</b>		

11.2: Level A through E Reimbursement:

Level	Mileage	Registration	Meals	Transportation	Lodging	One (1) NAR Optional Tour*	
A	Federal Rate	100%	100%	100%	100%	100%	
B	Federal Rate	Up to \$1,500/year reimbursement.					
C	Federal Rate	100%	Up to \$100/day reimbursement.			N/A	
D	Federal Rate	Up to \$1,000/year reimbursement.					
E	Federal Rate	Up to \$50/day reimbursement.				Not Covered.	

\*The NAR Optional Tour is normally an entertainment event offered for a fee by NAR.

- 11.3: An expense report should be completed and returned to the Board within 30 days of the meeting.
- 11.4: Local reimbursement policy allows Directors to attend, at no charge, any educational event that does not involve credit for a designation or licensure. Directors may also attend any Board business event at no charge.
- 11.5: Effective immediately upon election, Directors will be eligible for reimbursement as provided in the Reimbursement Policy.

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SECTION TWELVE  
**MEMBER COMMUNICATION**

- 12.1: The official publication of the Board shall be an electronic newsletter, *e-Source*, which will be published monthly.
- 12.2: The *e-Source* will be distributed via e-mail to all active Board members and the Executive Officers of the Boards of REALTORS® throughout Michigan.
- 12.3: Criteria for articles submitted by members for the *e-Source* shall be as follows:
- A. It shall not be offensive.
  - B. It shall be real estate or REALTOR® related.
  - C. It must benefit the majority of members.
  - D. The author must be willing to allow a disclaimer.
  - E. The author must accept editing or size limitations.

The article will be accepted for publication if all criteria are met and can be done in a timely manner.

Editorial comments may be acceptable for publication providing both sides of the issues are simultaneously presented and the article publication criteria are met.

- 12.4: *e-Source* mission statement:

To provide useful, timely information to the membership on REALTOR® and real estate related issues, members' involvement in our communities, educational opportunities, legislation affecting the real estate industry and pertinent news concerning Board membership.

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**SECTION THIRTEEN  
MEMBER SERVICES**

- 13.1: The Board will not provide e-mail lists of members of the Ann Arbor Area Board of REALTORS®.
- 13.2: Any member of the Ann Arbor Area Board of REALTORS® may purchase a set of mailing labels at the cost per set listed on the fee schedule, regardless of the size of the label set request. Mailing labels of REALTOR® members of the Ann Arbor Area Board of REALTORS® can be purchased by non-Board members at the cost per set listed on the fee schedule regardless of the size of the label set request.
- 13.3: Administrative approval by the CEO may be given for membership discount services that are not an exclusive endorsement.
- 13.4: Criteria for AAABoR Affinity Partners Program
- A. Product / Service Review
    1. Description of product or service
    2. Member benefit
    3. Is the product or service available to members outside of the affinity program?
    4. Cost to members
    5. Is the board uniquely positioned to provide this product or service?
    6. Board resources required: (staff time, promotion, labels, etc.)
    7. Benefit to the AAABoR (Opportunity for revenue?)
    8. Length of agreement
    9. Cancellation process
    10. Vendor marketing plan
    11. List of organization partners
  - B. Partner benefits
    1. Affinity partner status as an AAABoR preferred provider
    2. Use of AAABoR logo in promotional efforts (upon approval by AAABoR)
    3. Link on AAABoR web site to their web site, opportunity for partner to link to AAABoR web site
    4. Opportunity to display on promotional pieces and web site “A proud sponsor of the Ann Arbor Area Board of REALTORS®”
    5. Access to membership mailing labels at preferred rate
    6. Opportunity to participate in sponsorship opportunities
  - C. Partner requirements
    1. Agreement to be in writing
    2. Agreement to be reviewed annually

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SECTION FOURTEEN  
**MEMBERSHIP**

14.0: Definitions

**Firm:** All offices under the same ownership.

**Lapse:** Measurement of time between the effective date of an individual's membership termination to their subsequent effective date of transfer or reinstatement.

**Transfer - REALTOR® to a Different Firm:** When a REALTOR® transfers from one firm to a different firm within 30 days of their effective date of termination.

**Intra-Firm Transfer:** When a REALTOR® transfers to another office within the same firm without a lapse in membership.

**Reinstatement - REALTOR® with Different Firm:** When a REALTOR® joins the Board with a different firm after a more than 30 day but no greater than one (1) year (from effective date of termination) lapse in membership.

**Intra-Firm Reinstatement:** When a REALTOR® joins the Board with the same firm anytime from one day to up to one (1) year from their effective date of termination.

- 14.1: The REALTOR® reinstatement fee shall be an amount equivalent to 1/2 the amount of the REALTOR® Application fee. If reinstatement occurs within 6 days of termination the fee shall be equivalent to the REALTOR® transfer fee.
- 14.2: A waiver will be extended to active duty members of the Armed Forces to suspend dues and MLS expenses during service. The waiver will be in effect until 60 days after the date of their return.
- 14.3: Past Presidents who no longer qualify under the Board's Bylaws and Membership Policies for REALTOR® Membership nor for Lifetime Membership shall be conferred Honorary Membership.
- 14.4: Any member of the Board whose primary income source is from governmental payrolls (including local, county, state, federal or public agencies, such as universities or public schools) who otherwise does not qualify for REALTOR® membership in the Board, shall be classified as a Public Service Member rather than as an Affiliate or Institute Affiliate member.
- 14.5: Local dues for Lifetime Members will be waived beginning with the year following approval. Lifetime Members must pay their own state and national dues to retain REALTOR® membership with NAR. Lifetime members may be granted one (1) exemption of the application fee to re-join after termination.
- 14.6: Local dues for Senior Members will be waived. Senior members will be required to pay MAR and NAR dues if they have health insurance with MAR.
- 14.7: Upon proof of qualification for each category, staff is authorized to grant Senior, Lifetime and Honorary Memberships for members. Transfers, as defined in Section 14.0, are not considered a lapse in membership when determining qualification for Senior, Lifetime or Honorary Membership.
- 14.8: Secondary membership may be granted to non-principal licensees who hold REALTOR® membership in their primary board without any requirement that the DR they are licensed or affiliated with hold membership in the secondary board. **However, MLS services are only available to secondary members if their office participates in the MLS. (NAR policy) Applicants for secondary membership will not be charged an application fee.**
- 14.9: The person or company paying the affiliate membership dues shall be considered the owner of the membership. Affiliate membership paid by an individual may follow the individual to a new

company. Affiliate membership paid by a company allows the company to change the representative.

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SECTION FIFTEEN  
**MULTIPLE LISTING SERVICE**

**15.1. Information Services / Data**

- A. MLS Participating Firms may purchase Comp/Data Books; and Board Only Firms may purchase Comparable Books in a number equal to twice the number of REALTOR® licensees affiliated with each. Additional Comparable books will be sold at a rate equal to the Affiliate Membership rate.
- B. Comp/Data Books will be available for review by REALTORS and Appraisers at the Board office during normal business hours.
- C. The Board Office will not be required to maintain board information sheets, ML Books, or supplies for individual offices who have not picked up for more than two weeks.

**15.2: Non-Participant ML Service**

- A. REALTORS® who are not Participants in the Multiple Listing Service of the Ann Arbor Area Board of REALTORS® but who wish to have their listings in our MLS may use the Non-Participant ML Service to submit listings. The submitting Broker is allowed to put the sales agent's name on the profile listing form.

All listings under the category of Non-Participant ML Service are subject to the Ann Arbor Area Board of REALTORS® MLS Rules and Regulations.

Listing Input Fee is currently \$40. Payment must accompany the listing.

Listings are for 180 days and will automatically expire. Extensions will be allowed when the MLS is notified in writing.

There will be no charge for changes such as price changes, SAS, SOLD information, etc.

With the Non-Participant ML Service, the REALTOR® will not be entitled to a MLS Book, Computer Access or an Electronic Entry Card. The REALTOR® will not be required to attend any portion of the Ann Arbor Area Board of REALTORS® Orientation class.

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**SECTION SIXTEEN  
ORIENTATION**

- 16.1: The Orientation Committee is to be a separate and autonomous committee and will assume the responsibility of recommending new Instructors for the Board of Director's approval.
- A. **QUALIFICATION GUIDELINES FOR ORIENTATION INSTRUCTORS**
1. A full-time REALTOR® member in good standing with the Ann Arbor Area Board of REALTORS® for three or more consecutive years.
  2. Shall have served on two or more committees within the past three years. Committees may be either on the local or state level; a term on the Ann Arbor Area Board of REALTORS® Board of Directors will count as having served on two committees.
  3. Shall have closed 45 or more real estate transactions (listing/or sales) within the past three years or equivalent experience.
  4. Shall have a Broker's license; hold a GRI designation, or the equivalent in terms of hours in Real Estate related education.
  5. Shall maintain a professional manner and appearance. Must carry these attributes into the orientation instruction.
  6. Shall have proficiency in public speaking or group instruction.
  7. Shall attend all portions of Orientation prior to actual instruction.
  8. Based upon the review and recommendations of the Orientation Task Force, the Board of Directors will act upon the applications for approval.
- 16.2: The Chief Executive Officer is authorized to issue dismissal to an Instructor, or any action deemed appropriate, based upon poor reviews or complaints.
- 16.3: The Board shall require either a license, or confirmation of licensure from the state licensing authority at the time of application to attend Board orientation.
- 16.4: New licensees must make application to the Board within 30 days of notification of licensure from the state licensing authority. If the licensee does not wish to be a REALTOR® member, it is the Broker's responsibility to notify the Board in writing that said licensee should be added to the broker's firm as a NMS (non-member salesperson).
- 16.5: Applicants who fail to complete the online Code of Ethics within 60 calendar days of application for membership shall be identified as Non-Member Salespersons.
- 16.6: Applicants must attend an orientation class offered by the Board. Applicants who fail to attend one of the first three orientation classes offered following their date of application shall be identified as Non-Member Salespersons.
- 16.7: New applicants are to be informed by the Board of the non-refundable processing fee charges if an application is withdrawn.

SECTION SEVENTEEN  
**PROFESSIONAL STANDARDS**

- 17.1: Members of the Grievance and Professional Standards Committees are required to attend a Professional Standards Training Program provided by the Michigan Association of REALTORS<sup>®</sup>, or other program as approved by the CEO, for the term for which they are appointed. Any Professional Standards Committee member who does not attend the training will not be called to serve on a hearing panel until they have attended an approved training session. Any Grievance Committee member who does not attend the training shall not participate in any Grievance Committee meeting until they have attended an approved training session.
- 17.2: Board Staff, under the direction of the Chief Executive Officer, shall take the responsibility of notifying any Grievance Committee member if a case involves a member(s) of their company. The committee member will be excused from the review of that particular case.
- 17.3: The Grievance Committee MAY, if found appropriate, send a copy of the complaint to the Respondent and require him/her to furnish the committee with his/her response before making its decision. The function of the Grievance Committee is to make only such preliminary investigation and evaluation of the complaint as required to determine whether the complaint warrants further consideration by a Hearing Panel of the Professional Standards Committee. The Grievance Committee does not conduct hearings and does not determine if a violation of the Code of Ethics occurred. (Quoted from the Ethics and Arbitration Manual). The Grievance Committee will not automatically request a response for each ethics and/or arbitration request.
- 17.4: A letter shall be sent to the Respondent notifying him/her that a complaint has been filed and will be reviewed on a specific date by the Grievance Committee. The Respondent will then be notified of the Committee's action. A copy of this letter shall be sent to the respective broker.
- 17.5: When requesting a response from the Respondent, ten (10) business days will be allotted for the response time.
- 17.6: In reviewing actions from the licensing authority of the State of Michigan regarding license violation, if administration discovers violation by a member of the Board the information will be forwarded to the Grievance Committee for investigation for possible violation of the REALTOR<sup>®</sup> Code of Ethics.
- 17.7: A Professional Standards master log shall be maintained for a period of six years. This log shall identify all Ethics and Arbitration matters filed with the Board and shall record the status from the point of filing through final disposition.
- 17.8: The Ann Arbor Area Board of REALTORS<sup>®</sup> shall adopt the NATIONAL ASSOCIATION OF REALTORS<sup>®</sup> Code of Ethics and Arbitration Manual, as amended for compliance with Michigan laws, in governing all Professional Standards issues.
- 17.9: A total of nine (9) Grievance Committee members shall serve each year, with three (3) terms expiring annually.
- 17.10: A total of thirty-six (36) Professional Standards Committee members shall serve each year, with twelve (12) terms expiring annually.
- 17.11: The Ann Arbor Area Board of REALTORS<sup>®</sup> will offer mediation to members involved in arbitration disputes. Mediation will be offered immediately upon determination of the Grievance Committee that the matter is a properly arbitrable matter.

#### 17.12: Mediation Procedures:

Request for Arbitration is received by the Board.

The case is forwarded to the Grievance Committee to determine if the matter is arbitrable.

If it is an arbitrable matter, the Chief Executive Officer immediately contacts the complainant to inform them of the mediation services available to the Board. They are asked if they wish to participate in mediation.

If the answer is no, the matter proceeds with the scheduling of an arbitration hearing.

If the answer is yes, the Chief Executive Officer calls the respondent to advise them that a request for arbitration which involves them has been filed with the Board. The CEO then explains the mediation services available through the Board and asks if they wish to participate in mediation.

If the answer is no, the matter proceeds with the scheduling of the arbitration hearing. The complainant is advised.

If the answer is yes, a copy of the arbitration request is provided to the Respondent. A mediator is appointed by staff. The mediator is immediately notified and asked to contact both parties to arrange for the mediation meeting. A copy of the arbitration request is provided to the mediator along with a Mediation Procedures checklist and a blank Mediation Agreement Form.

Mediation meeting takes place. It is suggested that the mediator be provided with a second room which can be utilized during the negotiations when it may be necessary to keep the parties separated to allow each candidate to speak candidly with the mediator.

Upon conclusion of the meeting:

If the parties have reached an agreement, the mediator completes the Mediation Agreement form and obtains the signatures of all parties. This agreement is binding. The case is deemed resolved and cannot be the subject of a subsequent arbitration hearing.

If the parties do not reach an agreement, the mediation procedure is deemed concluded. The matter proceeds with the scheduling of the arbitration hearing.

If both parties agree to mediation and settle their dispute through a mediation agreement, the original deposit from the Complainant shall be returned.

### **ARBITRATION**

- 17.14: Voluntary arbitration will be provided by the Ann Arbor Area Board for A) interoffice; B) REALTOR® vs. non-member; C) Customer vs. REALTOR® .
- 17.15: Any person authorized by the provisions of the Code of Ethics and Arbitration Manual of the National Association of REALTORS® may request arbitration by the Board. A request for arbitration shall be in writing, must be signed by the complainant, must indicate the nature of the controversy, the amount in dispute and must be accompanied by the required deposit.
- 17.16: Requests for arbitration shall be promptly referred to the Chairperson of the Grievance Committee for determination by the Committee as to whether the matter is subject to arbitration.
- 17.17: Arbitration shall not proceed unless signed arbitration agreements and required deposits have been received from both parties to the arbitration.
- 17.18: The Board will support members in obtaining judicial enforcement of arbitration awards in accordance with NAR's Arbitration Award Enforcement Program.
- 17.19: The Ann Arbor Area Board of REALTORS® has adopted the following policies. For further

reference see the Code of Ethics.

- A. The award of the arbitrators shall be made as soon as possible after the evidence is presented. The award shall be in writing and signed by the arbitrators or a majority of them, shall state only the amount of the award, and when so signed and served on each of the parties, shall be valid and binding and shall not be subject to review or appeal. A party to an arbitration proceeding may request procedural review only with respect to such alleged irregularities occurring in the conduct of the proceeding as may have deprived the party of fundamental "due process".
  - B. After the award has been served upon each of the parties, they have twenty (20) days to request procedural review of the arbitration hearing procedure by the Board of Directors. If no such review is requested, the award becomes final and binding following the twenty (20) day period. However, if procedural review is requested, the award is not considered final and binding until after the Board of Directors has concluded that the hearing was conducted in a manner consistent with the Board's procedures and the parties were afforded due process.
- 17.20: Any party may, at his own expense, have a court reporter present or may tape record the proceeding, and if transcribed, shall furnish a transcript to the panel. The panel may also cause the hearing to be transcribed or recorded on its own motion. Such recording or transcription is to be used for the purpose of procedural review only.
- 17.21: The duty to submit to arbitration continues in effect after the membership lapses or is terminated provided that the dispute arose prior to the time the respondent's membership lapsed or was terminated.
- 17.22: Following an arbitration proceeding, the deposit of the prevailing party shall be returned. The deposit of the non-prevailing party to an arbitration proceeding shall be forfeited into the Board's general operating fund. In the event the award of the arbitrators is in an amount other than that requested by any of the parties, the disposition of the deposits shall be directed by the arbitrators.
- 17.23: The deposit for a limited procedural review of an arbitration proceeding shall be used to cover the costs of the procedural review as it may be required. Any portion not used specifically to cover the costs of the procedural review shall go into the Board's general operating fund.

#### **INTERBOARD ARBITRATION**

- 17.25: The request for Interboard Arbitration shall be accompanied by a filing fee that is the lesser amount of the filing fee of the other Board or the AAABOR, and by a signed Arbitration agreement. The filing fee shall be returned, in total, to the prevailing party. The fee of the non-prevailing party shall be divided equally between the Boards. In the event the award of the arbitrators is in an amount other than that requested by any of the parties, the disposition of the deposits shall be directed by the arbitrators.

#### **ETHICS**

- 17.26: Professional Standards cases will be distributed to the Panel Members no sooner than two (2) weeks prior to the hearing. Panel members will be required to sign a Certificate of Qualification that contains a confidentiality clause.
- 17.27: Any Professional Standards decision rendered in a formal Ethics Hearing which finds a member guilty of violating the REALTOR® Code of Ethics shall be placed in the members own file upon final action by the Board of Directors. All other materials pertaining to the case shall be destroyed

upon final action of the Directors unless the Decision itself and the Directors actions require dissemination to the state licensing authority.

- 17.28: When a Member terminates from the Board, any ethics case in which the member is a respondent shall be suspended until the individual reinstates membership with the Board.
- 17.29: Upon final action by the Directors following a formal Professional Standards hearing where no violation of the Code of Ethics has been found and no disciplinary action is involved, the entire file in such case shall be destroyed immediately.
- 17.30: REALTOR®-Principals will not automatically be joined in Ethics complaints against non-principals. However, copies of all documents will be sent to the Principal who has the option of being present at the hearing.
- 17.31: The Board shall, and any party may at his own expense, have a court reporter present at a Hearing, or may tape record the proceeding, and if transcribed, shall present a copy to the Board. Any party to the Hearing has the right to obtain a copy of the Board's official tape recording subject to payment of the Board's duplication costs, and any duplication will be conducted under supervision of the Board. If the Board transcribes its official tape recording or hires a court reporter, any party to the Hearing may obtain a copy of the transcript subject to paying the Board's transcription costs.
- 17.32: An appeal to the Board of Directors must be accompanied by the required deposit paid to the Board. The deposit shall be returned if the Appellant prevails.
- 17.33: In ethics appeals or limited procedural reviews of arbitration hearings, the Ann Arbor Area Board of REALTORS® will use panels composed of the Board of Directors. These panels, acting on behalf of the Board of Directors, may ratify their final decisions.
- 17.34: When the respondent/s is/are found in violation of the Code of Ethics or other membership duties, one administrative processing fee will be imposed. This fee will be evenly split between all respondents of the case who are found in violation of the Code of Ethics. This administrative processing fee will be in addition to, and not part of, any disciplinary sanction imposed.
- 17.35: In the event the Respondent is involved in civil litigation or in any proceeding before the state real estate licensing authority or any other state or federal regulatory or administrative agency in a matter arising out of the same facts and circumstances giving rise to the complaint alleging unethical conduct, the complaint may proceed to a hearing only after the Respondent has been given the opportunity to adjourn the proceedings until the litigation is resolved.
- A. If civil litigation or any proceeding before the state real estate licensing authority or any other state or federal regulatory or administrative agency in this matter is pending, the Respondent must notify the Board office, in writing, within ten (10) days of receipt of the Grievance Committee's determination, that he/she wishes to exercise his/her option to adjourn the hearing proceedings. If the Respondent does not notify the Board Office, within the specified time period, that he/she wishes to exercise this option, the Board will proceed with the hearing process.
- B. It shall be the responsibility of the Complainant or Respondent to notify the Board Office, in writing, within thirty (30) days of the disposition of civil litigation, or any proceeding before the state real estate licensing authority or any other state or federal regulatory or administrative agency in order to reinstate hearing proceedings.

The Report of the Grievance Committee shall contain the following statement:

*If litigation is pending in this matter, the Respondent shall have the option of adjourning the hearing until the civil litigation, or any proceeding before the state real estate licensing authority or any other state or federal regulatory or administrative agency in this matter, is concluded.*

## **Appeals**

### 17:36 Appeals Board

Purpose of the Appeals Board is to render decisions in matters of policy/charges that are protested/disputed by members. Such decisions would not be final until ratified by the Board of Directors.

- A. “Matters of policy/charges” would be:
  - 1. Any invoiced amount (late fees, ML fines, lockbox charges, dues, etc.)
  - 2. Membership status (Senior, Lifetime, etc)
  - 3. ML fee waivers
- B. Appeals Board would consist of 5 members drawn, as needed, from the Professional Standards Committee.
- C. No member of an Appeals Board may be from the same firm as the appellant.
- D. Appeals Board would meet the third Wednesday of the Month to consider any disputes received by the 1st of that month.
- E. Appeals would be presented in writing.
- F. To appear in person, a written request will be considered. If granted, appearance would be the following month.
- G. Decisions would be placed on the BOD’s Consent Agenda for the following month.
- H. The same documentation considered by the Appeals Board would be attached to the Consent Agenda.
- I. BOD could:
  - 1. Ratify as is
  - 2. Ratify with changes (would need to be pulled off consent agenda)
  - 3. Reverse (would need to be pulled off consent agenda)
  - 4. Request more information (would need to be pulled off consent agenda)

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**SECTION EIGHTEEN  
RECORD RETENTION**

18.1: FINANCIAL RECORDS

Company Tax Returns	10 years
Payroll Tax Records	7 years
Fixed Asset Records	10 years*
Cash Receipt Books	7 years
Bank statements/canceled checks	7 years
Expense vouchers and invoices	7 years
Disbursement and Receipt Journals	7 years
General Ledger	7 years
Income & Expense statements (unaudited)	7 years
Income & Expense statements (CPA prep)	10 years
Final monthly detail reports	7 years

\* or until disposed of

18.2: GENERAL RECORDS

Articles of Incorporation	Permanent
*Corp. Director Minutes	Permanent
*Annual Membership Minutes	Permanent
Bylaws Editions	1969 on
**General Membership Minutes	1 year
Committee Minutes/Reports	2 years
Individual Membership Records	10 years***
General Correspondence	2 years
Legal Opinions	10 years
Board Staff Personnel Records	10 years***
Membership Reports to NAR/MAR	7 years
Insurance Policies	2 years after expire
Contracts	2 years after expire

\*dating to incorporation of Board (12/49-1/50)

\*\*except for meetings where Bylaws approved - then back to 1969

\*\*\*from date of death or termination

18.3: ML RECORDS

Comparable books	Permanent
Weekly books	2 years
Statistical reports	10 years
Policy statements	until replaced
ML Rules & Regs	1969 on
Forms	until replaced

#### 18.4: PROFESSIONAL STANDARDS RECORDS

- A. A master log shall be maintained for a period of six (6) years. This log shall identify all Ethics and Arbitration matters filed with the Board and shall record the status from the point of filing through final disposition.
- B. Any Decision rendered in a formal Ethics Hearing which finds a member guilty of violating the REALTOR® Code of Ethics shall be placed in the member's own file upon final action by the Board of Directors. All other materials pertaining to the case shall be destroyed upon final action of the Directors unless the Decision itself and the Directors action require dissemination to the Department of Licensing and Regulation.
- C. Upon final action by the Directors following a formal hearing where no violation of the Code has been found and no disciplinary action is involved, the entire file in such case shall be destroyed immediately.
- D. Upon expiration of the Appeal period following any formal Hearing, the Board shall instruct the court reporting service to immediately destroy all transcription tapes, notes and records from the Hearing.
- E. Minutes of Grievance Committee meetings shall be maintained for a period not to exceed one year.
- F. Records of Complaints filed which do not go to formal hearing shall immediately be destroyed.

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**SECTION NINETEEN  
RESERVE ACCOUNTS**

- 19.1: The Investment Committee, chaired by the Treasurer and consisting of the Finance Committee, CEO, and Director of Finance and Administration as voting members are authorized to direct the Board's Investment Manager regarding portfolio guidelines for investing the excess reserves of the Board.
- 19.2: A goal of the investment committee is to maximize returns consistent with an "acceptable" level of risk. However, due in part to the uncertainty of the market, there is no guarantee either written or implied that this goal will be achieved.
- 19.3: The Board considers all highly liquid investments purchased with a maturity of three (3) months or less to be cash equivalents.
- 19.4: Reserve accounts may be funded at the recommendation of the Finance Committee and the approval of the Board of Directors.
- 19.5: Amounts may be transferred as necessary to the Board's checking account to replenish operating cash, at the recommendation of the Director of Finance and Administration and the approval of the Chief Executive Officer.
- 19.6: Operating Reserve Funding Level:

The Board's target amount of operating reserves is any amount that exceeds 25% of the current year's budgeted expenses, as adjusted\*.

\* Adjustments to the current year's budgeted operating expenses for this purpose shall include: adding budgeted principal loan payments, subtracting budgeted depreciation, and subtracting budgeted expenses that have directly offsetting revenue line items (i.e. Cost of Sales, Special Events, Education, etc.)

It's intended that this amount of operating reserves would sustain the continued operation of the Board's existing programs at a minimal level of service for a period greater than 90 days.

When the Board's operating reserves fall below 25% of the current year's budgeted operating expenses, as adjusted\*, the Directors will adopt a plan within 60 days to replenish the reserves.

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