



# PROFICIENT LEADERSHIP<sup>®</sup>

Seize the Opportunity

A Practical Guide  
to RPCRA Leadership

## Proficient Leadership

Being an Officer, Director or Committee Chair means more than simply making a commitment to self-development. Everyone who assumes a leadership role is making a commitment to the Organization and to its members.

## Mission

The Royal Palm Coast Realtor® Association exists to advance the success of its Realtor® members; advocate for home ownership and property rights; elevate the skills and competencies of Realtors®; encourage, procure, and precipitate innovation; further civic and community engagement; and enable Members to provide a superior consumer experience.

## Values

- Integrity
- Respect
- Service
- Excellence

## Commitment

- To attend meetings regularly;
- To prepare my leadership projects to the best of my ability;
- To prepare for and fulfill meeting assignments;
- To provide fellow members with helpful, constructive evaluations;
- To help maintain the positive, friendly, professional environment necessary for all members to learn and grow;
- To treat my fellow members with respect and courtesy;
- To the benefits our Organization has to offer;
- To adhere to the guidelines and rules established in our governing documents;
- To maintain honest and highly ethical standards during the conduct of all Association activities.



# PROFICIENT LEADERSHIP

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# Table of Contents

<b>Introduction</b> .....	4
Listening .....	5
Critical Thinking .....	6
Feedback .....	7
Time Management .....	9
Mentoring .....	10
Facilitation .....	12
<b>Association Structure</b> .....	15
National Association .....	15
NAR Directors .....	17
State Association .....	21
FR Directors .....	23
Local Association .....	25
<b>Strategic Plan</b> .....	27
<b>Roles and Responsibilities</b> .....	28
Governance .....	28
Executive Committee .....	35
Operations .....	37
Committees .....	40
Dealing with Conflict .....	44
Roberts Rules .....	48
<b>RPCRA Structure</b> .....	50
Organizational Charts .....	51
RPCRA Committee Basics .....	58
Strategic Plan Implementation .....	61
Risk Management .....	65
Collaboration, Chapters & Mergers .....	70
NAR Compliance .....	75

# Introduction

## What makes a leader?

### Values

Leadership implies values. A leader must have values that are life-giving to society. This then also implies values that are embedded in respect for others. Often, we think of people skills, or caring about people as being “warm and fuzzy.” A leader can be of varying ‘warmth and fuzziness,” but a leader must respect others. You can’t lead without it. Otherwise we are back to manipulation. Respect means also that one can deal with diversity -- a critical need for a leader in today’s world -- probably always has been, although diversity may have been more subtle in the homogenous societies of the past.

### Vision

This is a bit different than passion, but in other ways it isn’t separable. If one doesn’t care about a subject, an issue, a system, then one won’t spend the time thinking about how it could or should be different. Yet, one could have strong feelings about something and not good ideas, particularly if one didn’t spend a good deal of time studying the topic. Thus, a leader has to have some ideas about change, about how the future could be different. Vision then is based on two components that leaders also need: creativity and intellectual drive.

### Confidence and Humility Combined

While one can have a great vision and good ideas for change, and even passion for it, if one isn’t confident, then action will not occur. Without action, there is no change. Yet, paradoxically, a leader needs to have humility. No matter how creative and bright one is, often the best ideas and thinking are going to come from someone else. A leader needs to be able to identify that, have good people around who have these ideas. This takes humility, or at least lack of egocentricity. The leader is focused on the ends and doesn’t have to see him/herself always as the conduit or creator of the strategy to get to that end.

### Interpersonal Skills

Leaders must have the ability to act in an interpersonally competent manner, yet they also need to learn the techniques of good listening, honest and open communication, delegating, conflict resolution skills, etc., to actually get work done and keep the whole movement/organization/project together.

A good leader has to have a purpose that is larger than he/she is and the balanced personality and skills to put that purpose into action.

# Listening

Listening is an important leadership skill. Through good listening, you can acquire information, identify and clarify issues, make decisions, and resolve conflict. A leader's listening skills play a major role in team building. Leaders must be able to connect with their teams, showing concern for them and their work. This connection is accomplished through listening to what team members think, to their plans, and to their ideas. When they believe you are listening to them, team members feel important and respected. In turn, they trust and respect you and perform to the best of their abilities.

- 1. Keep an open mind.** Avoid making assumptions and judgments before the speaker finishes.
- 2. Maintain eye contact.** Give the speaker your full attention.
- 3. Watch your body language.** Relax. Uncross your arms and legs, and refrain from tapping your fingers or making other nervous gestures. Instead, lean toward the speaker and nod and smile when appropriate.
- 4. Listen for key ideas and full understanding.** Seek out and remember the speaker's main ideas and points. For example, if the speaker is relaying the reasons why a major project is being delayed, listen carefully for each specific reason.
- 5. Rephrase what the speaker is saying.** Show the speaker you understand what he is saying and allow him to clarify if you are missing the point. For example, say something like, "If I understand correctly, the main reason for the delay is the design change."
- 6. Ask questions.** Confirm your understanding and get more information: "Why was the previous design inadequate?" "How much will the design changes cost?"
- 7. Evaluate.** When the speaker is finished, think carefully about what he said before you respond.

# Critical Thinking

A successful leader gathers information, then carefully analyzes, interprets, and understands it before acting. This process is called critical thinking. Critical thinking is about how to approach problems, questions, and issues.

## HOW TO THINK CRITICALLY

**Be informed.** Collect information from numerous sources. The Internet, books, magazines, journals, newspapers, videos, and CDs are good sources of information. Consulting with colleagues and employees also is useful.

**Refrain from making decisions too early.** Make sure you have all the facts, and allow yourself time to think about them. Quick decisions may lead to regrets.

**Keep an open mind.** You may find information that changes your perspective of the problem.

**Ask questions.** Do not make assumptions. Probing questions that begin with “why” or “how” help you get more information. “Why do you believe this is the reason?” “How does this system work?”

**Be honest about yourself.** Acknowledge your biases, and avoid letting them influence you.

**Weigh opinions against facts.** Be wary of placing more value on opinions than on facts. Someone may tell you they are in favor of a proposal, but their reasons for it may be based on personal biases rather than facts.

**Be persistent.** The entire process takes time, and you may encounter difficulties. Don't give up.

**Be organized.** Sort the information you collect, and devise criteria for evaluating it. Write down important points or things you would like to investigate further.

**Consider and analyze all options.** This is the most important part of critical thinking. Only after analyzing the options can you decide which one is best.

# Feedback

Successfully giving constructive performance feedback is a crucial leadership skill. Nevertheless, many leaders are uncomfortable evaluating the performance of others. We view it as criticism, knowing that most people—on both the giving and receiving end—consider criticism a negative experience. So we hesitate, for any number of reasons:

- We never told the other person what we expected of them.
- We assume the other person understood.
- We blame ourselves when the other person misunderstands.
- We hope that the situation resolves itself.
- We hope our team member figures out for herself what we want.
- We are afraid of alienating team members.
- We feel guilty for criticizing others.

Feedback can be a positive experience. It can be an opportunity for the receivers to recognize what they are doing well and to learn what they can do better. Moreover, it is an opportunity for the leader to help the team function more effectively. Feedback can relieve stress, improve interpersonal relationships, and promote trust and respect for leaders and team members.

## HOW TO GIVE FEEDBACK

To be most helpful, feedback should be given immediately after the behavior occurs in a respectful, calm, encouraging way that is tailored to the individual team member. Take the following steps to offer feedback effectively:

- Describe the specific behavior that needs correction. Don't try to analyze the reason behind the behavior.
- Explain the behavior's effect.
- Listen. Acknowledge them, but stay focused on the problematic behavior.
- Ask for a change in behavior.
- Reaffirm the person's ability to make the change.
- End on a positive note.
- Follow up. Observe the team member's subsequent performance. If improvement occurs, be sure to offer praise:

Be tactful. How you say something affects the team member's reaction. You want the team member to be receptive to your comments. Offer comments from your own experience or point of view. Don't say, "Everyone thinks..." or "People are saying..." Instead, speak for yourself: "I saw..." or "I am concerned..."



Avoid making the team member defensive. Say, for example, “When I don’t get the data on time, I can’t finish my report to the president.” Don’t say, “If you would just do your job, I wouldn’t have to keep calling you for the information.”

## RECOGNIZE GOOD PERFORMANCE

Feedback also involves recognizing those who perform well. If you hope to promote continual improvement among team members, recognize them for their accomplishments. Positive feedback can motivate people to perform even better. When you offer positive feedback, remember these tips:

1. **Be specific.** State what the team member did to deserve praise.
2. **Express your appreciation.** Explain why the team member’s effort was effective and how it contributed to the success of the team.
3. **Encourage more of the same.**

# Time Management

Good time-management skills are invaluable to leaders. Meetings, paperwork, crises—they all consume our time and leave little available for what leaders are expected to do: provide leadership now and plan for and lead into the future.

## HOW TO MANAGE TIME

To meet the challenge of time management, you must be able to do the following:

- Understand what you can realistically achieve with your time
- Make the best use of the time available
- Plan enough time for things you absolutely must do
- Allow some time to handle the unexpected
- Minimize stress by avoiding over-commitment to yourself and to others

Some people believe that by working faster and longer, they get more done. Often, working faster produces more problems because people make more mistakes. Working for a longer period of time is tiring, diminishes judgment, and creates more problems. Procrastination has a major effect on your efforts to manage time. When you wait until the last minute to tackle a big project or handle a pile of paperwork, you put additional stress on yourself and risk making mistakes or doing a poor job. The following practices can help you budget your time and accomplish projects and tasks efficiently:

- **Identify long- and short-term goals.** Long-term goals are those you want to accomplish months or years from now. Short-term goals are those you want to accomplish within days or weeks.
- **Make a daily to-do list.** Base the list on your long- and short-term goals, specifying tasks that will help you accomplish them.
- **Prioritize the list.** Identify items that are 1) urgent and important, 2) important but not urgent, and 3) nice to do when you have the time.
- **Make a schedule.** Block out time for the urgent and important items and for those that take a lot of time to complete. In the remaining time, schedule other items. Break down large tasks into smaller, more manageable ones. Plan to do more difficult items when you are at your best. Some people work best in the morning, while others do better in the afternoon or evening.
- **Delegate whenever possible.** Do not spend valuable time doing something that someone else is capable of doing.
- **Leave time for emergencies.** No matter how carefully you plan, something unexpected inevitably occurs that needs your immediate attention. Build time into your daily schedule to handle these emergencies.

# Mentoring

Leaders need talented and experienced people to help with the challenges they face. Effective leaders are mentors who recognize potential in less-experienced individuals and aid them in the development of their skills and talents.

Mentoring has several benefits:

- **Mentoring reduces turnover.** Many people leave organizations because their careers are not developing as they had hoped. A mentor can be influential in helping such a person in her career and convincing her to stay. This is especially true in our Organization. New members who have mentors are more likely to participate and remain in the club.
- **Mentoring cultivates talent.** Often an organization faces a shortage of qualified personnel. Mentors can be helpful in finding and training others to fill the void.
- **Mentoring develops leaders.** Leaders groom others to assume leadership positions. In our Organization, having more leaders means having a larger pool of qualified people available to share the responsibilities involved in running the club.
- **Mentoring calls for a certain type of person.** Good mentors exhibit the following attributes:
  - **Accessibility:** Mentors make themselves available, taking the time to spend with someone, make observations, listen carefully, and offer guidance.
  - **Patience:** People learn at varying speeds, and some need more guidance than others. It's important to be willing to provide whatever it takes to help.
  - **Sensitivity:** Tact and diplomacy are vital. A mentor's role is to motivate and encourage.
  - **Respectfulness and Respect:** Everyone is different. Mentors respect these differences. In turn, mentors are recognized and admired by peers, supervisors, and even by outsiders.
  - **Flexibility:** Mentors need to adapt to various situations and be willing to try a new approach if one mentoring method fails to achieve the desired results.
  - **Knowledge:** Before they can help someone else, mentors have acquired experience and knowledge, which lend credibility to the guidance they give.
  - **Confidence:** Mentors are self-assured and friendly.
  - **Attentiveness:** Mentors care about other people and truly want to help. Often, just listening – without taking on the other person's problem – can be of great help because it enables the other person to articulate the problem and sort things out.

## HOW TO MENTOR

Mentors provide positive, nurturing environments that benefit the people they mentor. To create a positive, nurturing environment, do the following:

- **Offer opportunities for skill development.** Provide special projects and assignments that build new skills. Refer people to books or articles about that skill.
- **Point out areas needing improvement.** Often, a gap exists between a person's existing skills and the skills needed to complete a project or to advance in a career. Draw attention to that gap; then guide her to discover what she can do to close it.
- **Provide helpful advice.** Offer ideas or information based on your superior experience in the subject matter at hand: "It might be useful to look at the data from last year."
- **Be a role model.** We all listen to people we respect and admire. Be aware that people watch you to see how you handle difficult or challenging situations.
- **Encourage people to think for themselves.** Don't simply solve problems; instead, encourage people to find possible solutions themselves: "You have several options. Which one do you think is best?"

# FACILITATION

One role a leader plays is that of facilitator. A facilitator manages the structure the team needs to function effectively, ensures the structure is working, and removes obstacles impeding progress. For example, suppose your team missed a critical deadline and no one seems to know why. Your role as facilitator requires you to bring the team together to discuss the situation and reach a conclusion. You lead the discussion, allowing everyone to have input. Was there a misunderstanding among team members? Was important information missing? Through your questions and moderation of the discussion, you enable the team to discover the cause of the problem and resolve it.

## FACILITATION

A facilitator empowers the team, encouraging the team to take control and assume responsibility for proceeding with its work. Here are some of the ways this is done:

- Interpret information
- Clarify tasks
- Define team members' roles, determining clear lines of responsibility and authority
- Plan projects
- Identify processes
- Establish a communication network
- Resolve conflicts

A facilitator's primary job is to make the team's job easier. More specifically, a facilitator guides discussion among group members and manages and resolves conflicts. Conflicts are not unusual any time two or more people are required to work together, and good facilitation skills can help the group reach a resolution.

Facilitators remain neutral. They do not express personal opinion, display bias, or influence the team's efforts. Instead, they focus on the processes and methods the team uses to do their work.

The best way to enhance your facilitation skills is by routinely practicing these tasks:

- 1. Observe.** Watch how the team works together. Be alert for problems that the team may not have noticed yet. How does the team handle conflict?
- 2. Listen.** Pay attention to how team members talk to one another and to you. Do they share ideas freely? Do they talk through their differences?
- 3. Ask questions.** A well-timed question can enable the team to understand the real issue and how to resolve it.
- 4. Keep the team focused on its objectives.** Teams can become sidetracked. A facilitator helps the team keep its overall direction in mind.

## CONFLICT AND CONSENSUS

Conflict is not necessarily a bad thing. When it is addressed and resolved, conflict often leads to positive changes, increased productivity, better decisions, innovation, and bonding. Unresolved conflict can lead to poor productivity, low morale, distrust, and failure. Many consider that reaching a consensus is the best goal when a conflict arises. A decision made by consensus takes into consideration everyone's concerns and opinions. Therefore, it can be supported by every participant without necessarily being everyone's preferred choice. It is a decision with which no one strongly disagrees. Reaching a consensus has several benefits:

- 1. Better decisions:** Each group member's ideas are considered, which means that decisions are of a higher quality.
- 2. Better teamwork:** Participants must work together.
- 3. Better support:** Because participants had the opportunity to voice their opinions and are confident that others understood their position, they are more likely to accept and support the decision.

## HOW TO FACILITATE

Reaching a consensus requires more time than other decision-making processes. It also requires a facilitator who listens, asks questions, clarifies, and manages disagreements. As the facilitator, consider these guidelines during a discussion intended to reach a consensus:

- Keep a respectful, empathetic, caring, and neutral attitude toward everyone.
- Be a good listener.
- Allow others to speak without interruption.
- Acknowledge what they say and repeat their key points to prevent misunderstanding.
- Ask questions if needed.
- Prevent the discussion from dissolving into accusations, blame, or debates over who is right or wrong.
- Limit the discussion to the facts and the present situation.
- Help the group focus on solutions once the issues have been identified.

With these guidelines in mind, you can begin a conflict-resolution discussion directed toward reaching a consensus. A successful discussion follows a specific order:

- 1. Present the issue.** Explain how the conflict is affecting team members' performances and preventing the team from achieving its goals. Then allow participants to ask questions about it.

**2. Explain the process for arriving at a consensus.** Be sure to set ground rules before starting – do not interrupt a speaker, do not raise voices, do not call names.

**3. Open the discussion to all parties.** Invite team members to share their opinions, ideas, and suggestions. Allow each team member to present his view of the situation.

**4. Identify priorities.** The discussion may involve a number of points with varying degrees of importance. As a group, prioritize the points. Then focus first on the most important ones.

**5. Identify areas of agreement.** Find topics or ideas on which everyone concurs, such as common goals, interests, and values.

**6. Identify areas of disagreement or concern.** Ask team members to state their objections. Discuss these objections so that the group can discover the fundamental problem: George objects to people coming in late when he is expected to be here at 8 o'clock, but his fundamental objection is that certain people are paid the same for working fewer hours.

**7. Identify possible solutions.** All team members work together to create a list of possible solutions.

**8. Identify areas of agreement and disagreement with each possible solution.** Repeat this step as needed until most of the concerns have been resolved.

**9. Call for a consensus.** Identify the decision with which no one strongly disagrees, and which can be supported by all team members. This decision likely isn't everyone's first choice, but one that everyone can accept.

At the end of the discussion, every group member should be able to make the following statements honestly:

- "I had the opportunity to voice my opinions."
- "I believe my teammates understood my opinions."
- "I can support the final decision."

# Association Structure

## National Association of REALTORS® [WWW.REALTOR.ORG](http://WWW.REALTOR.ORG)

The National Association of REALTORS® is America's largest trade association, representing 1.3 million members, including NAR's institutes, societies, and councils, involved in all aspects of the residential and commercial real estate industries.

Membership is composed of residential and commercial brokers, salespeople, property managers, appraisers, counselors, and others engaged in the real estate industry. Members belong to one or more of approximately 1,200 local associations/Boards and 54 state and territory associations of REALTORS®.

The term REALTOR® is a registered collective membership mark that identifies a real estate professional who is a member of the National Association of REALTORS® and subscribes to its strict Code of Ethics.

### NAR'S CODE OF ETHICS

Adopted in 1913, it was one of the first codifications of ethical duties adopted by any business group. The Code ensures that consumers are served by requiring REALTORS® to cooperate with each other in furthering clients' best interests. REALTORS® are required to complete ethics training of not less than 2 hours, 30 minutes of instructional time within two-year cycles. The two-year requirement is new. The training must meet specific learning objectives and criteria established by the National Association of REALTORS®.

Training may be completed through local REALTOR® associations or through another method, such as home study, correspondence, classroom courses, or online courses.

Failure to meet the requirement is a violation of a membership duty and will result in suspension of membership for the first two months (January and February) of the year following the end of any two (2) year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated. MLS participation is not affected.

The only exception to this general rule is where it is the REALTOR® (principal)/MLS Participant who is suspended for not meeting the ethics training requirement. Under such circumstances, continued MLS access is not available to licensees affiliated with a suspended Participant unless participatory privileges are transferred to another principal in the firm.







## GOVERNANCE

Local and state associations of REALTORS® are required to demonstrate compliance with NAR's mandatory policies by periodically sending its governing documents to NAR for review. Beginning in 2018, NAR is implementing a new, streamlined bylaws compliance process. From now on, there is no need for associations to submit bylaws for review by NAR. You just need to certify that your association bylaws include mandatory provisions that NAR requires to be adopted verbatim. The form to certify bylaw compliance and the mandatory provisions that must be included in your bylaws.

Other documents to be reviewed and approved by the Association & MLS Governance Area include:

- MLS Rules and Regulations
- MLS Bylaws (if the MLS is a separate corporation)

## ADVOCACY

The REALTOR® Party is a powerful alliance of REALTORS® and REALTOR® Associations working to protect and promote homeownership and property investment. The REALTOR® Party speaks with one voice to advance candidates that build strong communities and promote a vibrant business environment.

The REALTOR® Party is effective at all levels of government because of its grassroots strength. That strength is exhibited in advocacy as well as community involvement. The REALTOR® Party works hand in hand with the REALTORS® Political Action Committee (RPAC).

## RPAC

Since 1969, the REALTORS® Political Action Committee (RPAC) has promoted the election of pro-REALTOR® candidates across the United States. The purpose of RPAC is clear: voluntary contributions made by REALTORS® are used to help elect candidates who understand and support their interests. These are not members' dues; this is money given freely by REALTORS® in recognition of the importance of the political process. The REALTORS® Political Action Committee and other political fundraising are the keys to protecting and promoting the real estate industry.

## NAR EVENTS

May: NAR Legislative Meetings & Trade Expo  
November: NAR Annual Governance Meetings, Conference & Expo

Reservations open usually three months before the events

# NAR Directors

## WHAT DO THEY DO?

The Board of Directors represents members of NAR and oversees the development and modification of policy including constitutional amendments and changes to the Code of Ethics, as well as the administration of the funds of the Association for over one million members.

The Board of Directors makes decisions that help ensure members' financial success and promote private property rights within the United States and throughout the world. They consider the specialized needs of practitioners in many areas including appraisal, auction, commercial, counseling, international real estate, land development, property management, residential, and resort.

## WHO ARE THEY?

NAR's Board of Directors is composed of over 900 men and women who represent different geographic areas and specialties within the real estate industry. The Board reflects the broad scope of the Association with members drawn from a wide variety of groups including the institutes, societies and councils, state and local associations, commercial and real estate specialties, firms and franchises, as well as external and internal organizations.

## WHEN DO THEY MEET?

During their term, Board members participate in two national meetings a year, the REALTORS® Legislative Meetings & Trade Expo in May and the REALTORS® Conference and Expo in November. From time to time, special meetings may be called.

Directors are encouraged to attend their regional caucus, which generally meets the evening before the Board of Directors' meeting. Also, they are expected to serve on at least one NAR committee to which they can bring their industry experience and insight



## RESPONSIBILITIES

### WHAT ARE THE GOVERNING RESPONSIBILITIES AND AUTHORITY OF THE BOARD OF DIRECTORS?

The Board of Directors is responsible for governing the Association (see Articles IV and VII of the NAR Constitution). The Board of Directors has the authority to:

- Approve expenditures of the Association
- Set dues
- Set public policy positions as they pertain to the real estate industry
- Establish governing policies of the Association
- Approve member programs, products, and services
- Approve amendments to the bylaws and recommend to the Delegate Body Constitution and Code of Ethics

### WHAT ARE MY RESPONSIBILITIES AS A DIRECTOR?

- Know the issues of importance to your constituency and bring matters of concern to the attention of the Association.
- Know the issues of importance to the Association and report matters of concern or actions taken by the Association back to your constituency.
- Participate in the meetings. The Association depends on the experience, knowledge, judgment, and spirit you bring to the Board of Directors.

### WHOM DO I REPRESENT?

As a NAR director, you are a fiduciary of NAR. That means you have a special legal responsibility in connection with the administration, investment, and care of NAR and its assets. This requires you to make careful, good-faith decisions in the best interest of NAR. Your decisions must be made independently and free of any undue influence from any person or organization, including any local or state association, MLS or brokerage. Many of you are multi-board directors, meaning that you also serve as directors of other organizations, such as a local or state REALTOR® Association. In that instance, you owe fiduciary duties to multiple organizations. If the duties you owe to another organization prevent you from giving undivided allegiance to NAR, then you are individually responsible for addressing that conflict, as you deem appropriate and at the very least, in a manner consistent with NAR's Conflict of Interest Policy.

### AS A DIRECTOR, AM I AUTOMATICALLY A MEMBER OF THE DELEGATE BODY?

The Delegate Body consists of all member board presidents or their designees. Typically, the Delegate Body meets once a year at the REALTORS® Conference & Expo to vote on Constitution and Code of Ethics changes. The President or the Board of Directors, upon 30 days' notice, may call a special Delegate Body meeting, if necessary.



## WHAT IS MY LIABILITY AS A DIRECTOR OF NAR?

A well-informed Board of Directors seldom makes mistakes. However, in the unlikely event that any litigation should result from actions taken by the Board, the Association provides coverage to directors through its errors and omissions liability insurance.

## HOW DO I KEEP UP WITH ALL THE BUSINESS OF THE ASSOCIATION?

You can count on association staff to keep you informed through the association's many communication vehicles such as:

- NAR Realtor®, with specific announcements for directors in the National Leadership and Board of Directors sections
- The Hub
- REALTOR® Magazine (print and online)
- Subscribe to the NAR e-Newsletter
- NAR Webinars
- Email (refer to the Electronic Communications Policy)
- Board of Directors Key Issues Summary (audio emailed to directors before each Board of Directors meeting)
- Internal News Service Reports (sent via email)
- Online access to national meeting agendas and minutes

## WHEN WILL I RECEIVE INFORMATION REGARDING TRAVEL AND HOTEL ARRANGEMENTS FOR THE NAR BUSINESS MEETINGS?

To help you plan your travel and meeting activities, NAR's Convention Division will mail you a letter in January of each year with important meeting dates and related deadlines for key NAR events. All housing and registration information will then be sent to you by email (with a reminder notice in the INS E-newsletter). Please make sure your information is up-to-date in the NRDS system at all times to ensure you receive NAR's e-communications.

Schedule your arrival and departure dates as follows:

- REALTORS® Legislative Meetings & Trade Expo: so, you may attend the NAR 360 on Tuesday afternoon, and the Board of Directors meeting on Saturday morning.
- REALTORS® Conference & Expo: so, you may attend the NAR 360 on Thursday afternoon, and the Board of Directors meeting on Monday morning.

## AS A DIRECTOR, AM I GUARANTEED A ROOM IN THE HEADQUARTERS HOTEL?

The National Association reserves enough rooms in the headquarters hotel for all national directors up to a designated cut-off date (approximately four weeks prior to the meeting). Please register before the cut-off date even if you are unsure of your arrival and departure dates. NAR can change your reservations after the cut-off date, but NAR cannot guarantee you a room in the headquarters hotel if you have not reserved one by the cut-off date.





## WHEN AND WHERE DO I PICK UP MY DIRECTOR MATERIALS?

You may pick up your materials at the Directors' Material Pick-up counter in the registration area when you first arrive on site. Reports of the committees will be provided to you upon Board of Directors check-in on the morning of the Board of Directors meeting.

## HOW SHOULD I PREPARE FOR THE BOARD OF DIRECTORS MEETING?

As a director, you are obligated to understand the business of the National Association of REALTORS®. Directors should read the following materials prior to a Board meeting:

- Board of Directors preliminary agenda (received at Directors' Material Pick-up counter at the registration area onsite)
- Board of Directors Key Issues Summary (emailed prior to each meeting)
- Minutes from the previous Board of Directors meeting
- Reports of the committees (announced on nar.realtor the evening prior and received upon check-in the morning of the Board of Directors meeting)

NAR will also post the above items in the National Leadership area of nar.realtor.

Also, attend NAR 360 where a synopsis and brief history of current issues and important policy recommendations are presented.

Attendance at NAR 360 and participation in your committee meetings are important roles of directors. Share ideas regarding current issues with other members; ask questions and obtain input. Be recognized for the leader you are.

## WHAT MATERIALS SHOULD I BRING TO THE BOARD OF DIRECTORS MEETING?

- Board of Directors agenda
- Minutes from the previous Board of Directors meeting
- Budget and Committee Structure packet (REALTORS® Legislative Meetings & Trade Expo only)
- Constitution & Bylaws packet (REALTORS® Conference & Expo only)

## WHERE DO I CHECK-IN PRIOR TO THE START OF THE BOARD OF DIRECTORS MEETING?

All national directors need to check in at the directors' check-in counters before entering the meeting room. Directors who do not check-in and who do not request an excused absence before the meeting will be listed in the Board of Directors minutes as having an unexcused absence.



## Florida Association of REALTORS®

WWW.FLORIDAREALTORS.ORG

“The mission of Florida Realtors® is to advance Florida’s real estate industry by shaping public policy on real property issues; encouraging, promoting and teaching consistent standards for ethical practice and professionalism; and building on the efforts of local Boards/Associations to provide the information and tools members need to succeed.”

Florida Realtors is the largest trade association in the state with more than 180,000 members.

As a member, you’ll enjoy business contacts, networking opportunities, educational offerings, research and legislative representation, programs, services, and tremendous camaraderie. The association headquarters is located in Orlando, and the legislative Office of Public Policy is located in the heart of Tallahassee.

### LEADERSHIP REFERENCE GUIDE

The "Florida Realtors® Leadership Reference Guide" is your connection to leadership contacts and resources. Learn more about the officers and members that serve on leadership committees.

You’ll also find association policies and bylaws, in-depth local association information, affiliated Realtor® group descriptions and contacts, as well as a directory for the Florida Realtors management team. Available for download on Florida Realtors® website under Governance.

### FLORIDA REALTORS® MEETING SCHEDULES

You can view your committee meeting schedules online for both the January Mid-Winter Meetings and the annual Florida Realtors® Convention & Trade Expo.

### FLORIDA REALTORS® EVENTS

January:	Florida Realtors® Mid-Winter Meetings
March:	Florida Realtors® Great American Realtor Days
June:	Florida Realtors® AE Education Workshop
August:	Florida Realtors® Convention & Trade Expo
October:	Florida Realtors® CEO Symposium

Reservations open usually three months before the events



## ADVOCACY

The collective voice of Florida Realtors® is heard loud and clear in Tallahassee. At appropriate and necessary times, the state association sends out a Call to Action, a legislative "Red Alert" to communicate the Realtor position to your legislators.

By registering with the legislative Realtor® Action Center, you're guaranteed of receiving these urgent messages immediately. You may also receive Calls to Actions via Florida Realtors® electronic publications.

If you have questions about a Call to Action, contact Florida Realtors® Office of Public Policy at **850.224.1400**.

## BENEFITS

### Free Tech Support

The Tech Helpline is available to answer members' questions Monday - Friday from 9 a.m. - 8 p.m. and on Saturday and Sunday from 9 a.m. - 5 p.m. EST. Just call **407.587.1450** and have your membership information handy (either your FREC license number or NRDS number).

### Free Legal Hotline

The Florida Realtors Legal Hotline is a free benefit available to all members. Here are the details:

**Call: 407.438.1409**

**Hours: 9 a.m. - 4:45 p.m., Monday through Friday**

Please have your real estate license number handy when you call.

You may speak with an attorney on various real estate topics including licensing, contracts and landlord/tenant matters.

### Create customized market reports

Florida Realtors® Interactive Graphics allow you to customize housing market reports by selecting one of 16 housing metrics, property types, price range and county. Results can be viewed for each of Florida's 67 counties.

### The Florida Realtors Membership Advantage

Membership does have its privileges! Your Florida Realtors® membership benefit package offers free and discounted products to help grow your real estate business. More than 50-member benefits are available, adding up to thousands of dollars in savings just for you.

[https://www.floridarealtors.org/upload/FR18ProductsServicesGuide\\_9-11.pdf](https://www.floridarealtors.org/upload/FR18ProductsServicesGuide_9-11.pdf)

Go to [floridarealtors.org](http://floridarealtors.org) to see all Tools and Support our State Association offers.

# Florida Directors

The Board of Directors of Florida Realtors® is responsible for making policy decisions that govern the Association within the Florida Realtors® Articles of Incorporation and Bylaws.

1. Among other duties, the directors have the responsibility to:
2. Approve the association's annual budget;
3. Establish membership dues;
4. Determine public policy positions as they pertain to the real estate industry;
5. Approve governing policies of the association;
6. Enact necessary amendments to the Articles of Incorporation and Bylaws; and
7. Elect association officers and NAR state-allocated directors.

## GOOD FAITH EFFORT REQUIRED

Directors of the corporation have a fiduciary relationship toward the corporation and are required to use the utmost good faith in the exercise of their power in the interests of the corporation. A director must perform his/ her duties as a director in a manner he/she reasonably believes to be in the best interests of the corporation, with such care as an ordinarily prudent person in a like position would use under similar circumstances.

## CONTRACTS

No contract or other transaction between a corporation and one or more of its directors or any other corporation, firm, association or entity in which one or more of its directors are directors or officers or are financially interested shall be either void or voidable because of such relationship or interest, because such director or directors are present at the meeting of the Board of Directors or a committee thereof which authorizes, approves or ratifies such contract or transaction, or because his or her or their votes are counted for such purpose, if:

1. The fact of such relationship or interest is disclosed or known to the Board of Directors or committee which authorizes, approves or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of such interested directors;
2. **The** fact of such relationship or interest is disclosed or known to the members entitled to vote on such contract or transaction, if any, and they authorize, approve or ratify it by vote or written consent; or
3. The contract or transaction is fair and reasonable as to the corporation at the time it is authorized by the board, a committee or the members.
4. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or a committee thereof which authorizes, approves or ratifies such contract or transaction.





5. Directors' standard of care and policies concerning conflict of interest are set forth in Florida Statutes 617.0830 and 617.0832. D. Representing Florida Realtors®' Interests, Not Local Interests Under Florida law, once an individual assumes the position of an officer or a director, he/she is not representative of the body that elected him/her, but rather is a representative of the parent corporation, and due to this is required to act in the best interest of the corporation.

As a member of the Board of Directors, directors represent all Florida Realtors® members, not only those in their local board/association or real estate company. An officer or director cannot be dictated by anyone how to vote, and is not obligated to vote a certain way because his/her constituency has a certain opinion. Officers and directors are not proxies for the electing group. If they abrogate their right to vote and just follow the wishes of others, they are in breach of their duty.

# Royal Palm Coast REALTOR® Association (RPCRA)

WWW.RPCRA.ORG

Our local Association was chartered by NAR in 1926. Since then, many exceptional leaders and staff have built this Association to what it has become today and you, as you are reading this document, are continuing this tradition.

Our membership is a crucial part of what makes us a powerful community. With thousands of members, our goal is to support you in your pursuit of success, and to passionately protect and advance the real estate industry. To ensure our mission and goals are successful we implement a Strategic Plan. While REALTOR® associations share many common qualities, ultimately, each is unique. Therefore, there isn't one way to approach the strategic planning process that will work for each and every association.

## STRATEGIC PLAN

At its heart, our association strategic plan should lead you to what's best for our members. It's important that key players approach this process and carry out the plan with that in mind to keep the association on a path to success.

### **What is Strategic Planning?**

Strategic planning is an organizational management activity that is used to set priorities, focus energy and resources, strengthen operations, ensure that employees and other stakeholders are working toward common goals, establish agreement around intended outcomes/results, and assess and adjust the organization's direction in response to a changing environment. Effective strategic planning articulates not only where an organization is going, and the actions needed to make progress, but also how it will know if it is successful.

### **What is a Strategic Plan?**

A strategic plan is a document used to communicate with the organization the organizations goals, the actions needed to achieve those goals and all the other critical elements developed during the planning exercise.

### **Keep It Alive**

Once the plan is formed, we keep it moving. We encourage leadership to reference the plan and keep it in front of members. We demonstrate that the association supports implementing the plan and doesn't want it to sit on a shelf. We update the information regularly to reflect the association's progress and accomplishments.

When we implement strategies, we implement change, and that can be a lot of work. We engage more people and spread the workload. This will help strengthen everyone's sense of ownership in the plan and rally support for the changes. We spread activities out over the life of the plan.

We review and implement the strategies. This may be influenced by opportunities for quick successes or by an annual cycle of organizational activities.

### **Monitor Progress**

Metrics and clear expectations make it possible to see the progress we make on a strategy, what successes we have, and when we accomplish a goal.

We keep the plan visible by integrating it into regular activities such as staff meetings and professional development plans and committee goals. We drill down from strategies to show how they relate to daily activities. We develop action plans for individual initiatives within the plan.

We determine who is responsible for what, when it will be started and completed, and what steps are needed to achieve final results. This will help determine when adjustments are needed and make progress more apparent.

Recognizing even partial accomplishments and progress can be rewarding and motivating. We keep resources focused on implementing the initiatives, not on tracking progress. We don't wait until a project or plan is completed to recognize and celebrate. We recognize past accomplishments, and recognize milestones during the implementation of an initiative.

### **Stay Fluid**

Plans are not written in stone. As we implement your plan, we monitor trends and the environment. We track the implementation approaches that work well and those that need refinement, then adapt future implementation approaches.

Strategic planning is not about producing a plan; it's about leadership engaging others to achieve the organization's vision. Planning falls short when the course is charted, the direction set, and nothing more happens. Strategic planning involves charting a direction, determining the course, and reaching a destination. You need a plan to implement goals and strategies to reach your destination.



## Strategic Plan 2019 - 2021

### MISSION

The Royal Palm Coast Realtor® Association exists to advance the success of its Realtor® members; advocate for home ownership and property rights; elevate the skills and competencies of Realtors®; encourage, procure, and precipitate innovation; further civic and community engagement; and enable Members to provide a superior consumer experience.



With focus and effort the Association will **SUCCEED** by:

- Committing to the success of all Members
- Providing the best tools so Members can achieve life balance, financial independence, freedom, and happiness
- Professional development through: skills, competencies, and knowledge
- Providing Realtors® with the resources to deliver a superior consumer experience
- Supporting Broker members
- Enhancing the ethical behavior of Realtors



With inclusivity and intent the Association will **ADVOCATE** for:

- Protecting private property rights and property ownership (Residential & Commercial)
- Communicating the value of Realtors® to consumers
- Building better communities
- Educating and mobilizing Realtors®
- Participating/influencing public policy: Local, State, and National



With direction and commitment the Association will **LEAD** by:

- Identifying, encouraging, developing, training, and mentoring Realtor® leaders: Local, State and National
- Engaging, motivating and empowering membership
- Cultivating and supporting leaders within the community
- Advancing professional development for staff
- Being a positive example among Associations



With trust and respect the Association will **ENGAGE** by:

- Building relationships of relevance with Members
- Facilitating interactive communications with Members
- Communicating with Members efficiently in a manner of their choosing
- Empowering Realtors® - it is their Association
- Promoting the use of Local, State and National benefits to provide a superior Realtor® experience

# Roles and Responsibilities

## GOVERNANCE

Board Governance means the scope of a Board's responsibilities. It involves a group of Board Directors that shares joint responsibility in the financial and organizational well-being of an organization.

It takes combination of people, rules, processes and procedures to manage the business of an organization. This is how Governance is defined. Governance forms the basis for organizations to make decisions that consider many environments, including economic, social, regulatory and the market environment. Governance gets its roots in ethical behavior and business principles, with the goal of creating long-term value and sustainability for all stakeholders.

Board Directors face the continuing challenge of aligning the interests of the Board, Management, and Stakeholders. They respond to their duties and responsibilities with full regard to transparency and accountability.

Boards are responsible for providing oversight, insight and foresight. That is a tall order in today's marketplace, which is complex and volatile.

Good governance principles are fundamental to the work that Board Directors do.

## THE ROLE OF THE BOARD OF DIRECTORS IN GOVERNANCE

Boards have many duties and responsibilities. In every decision the Board makes, they must consider how it will affect the employees, members, vendors, communities and stakeholders.

Good governance relies on distinct differences in the roles between Board Directors and Managers. It was never intended for Board Directors to be directly involved in the daily operations of an organization, and they certainly shouldn't engage in micromanaging the Management. The main role of Board Directors is oversight and planning. Despite the differences, Board Directors may delegate certain powers to the CEO or CFO.

Boards also regularly delegate some of their duties to Committees. Committees act as a subset of the Board. Committees devote the necessary time and resources to issues and projects within the scope of the strategic plan for which the Board doesn't have time. Committees delve deep into issues and projects. Committees provide regular reports to the Board on the matters they're charged with handling.

## THE BOARD'S ROLE IN STEWARDSHIP

In essence, Board Directors act as stewards of the organization that govern for the present times and provide guidance and direction for the future. In their role as

overseers, Boards must continually assess a variety of risks in the following categories:

- Financial reporting
- Reputation
- Litigation
- Ethics
- Technology
- Health
- Safety
- Environment

Effective governance entails that Boards must develop written, clear descriptions of the roles for the Board Directors, the Board President, the CEO and primary committees. Boards should also develop and write policies for codes of conduct, codes of ethics, conflicts of interest and whistleblowing.

Good governance promotes equity and deters fraud and other deceptive practices.

#### **Key responsibilities of the Board**

- Exercising financial stewardship.
- Making sure that the board has the right skills and practices to do its job.
- Making sure that the organization is in compliance with Laws and regulations.

#### **The Three Main Board Duties**

- Duty of Care
- Duty of Obedience
- Duty of Loyalty

#### **Duty of Care**

The duty of care describes the level of competence that is expected of a Board member, and is commonly expressed as the duty of “care that an ordinary prudent person would exercise in a like position and under similar circumstances.” This means that a Board member owes the duty to exercise reasonable care when he or she makes a decision as a steward of the organization.

#### **Duty of Obedience**

The duty of obedience requires Board members to be faithful to the organization’s mission and the rules/laws of the Federal and State governments. They are not permitted to act in a way that is inconsistent with the central goals of the organization.

#### **Duty of Loyalty**

The duty of loyalty is a standard of faithfulness; a Board member must give undivided allegiance when making decisions affecting the organization. This means that a Board member can never use information obtained as a member for personal gain, but must act in the best interests of the organization.

### **Your Duties as an Individual board member**

- Attendance
- Be prepared and informed.
- Speak your mind and ask hard questions.
- Use your “gut” – if doesn’t feel right it probably isn’t.
- Stewardship of the organization’s assets.
- Integrity is paramount. • Servant leadership.
- Platinum rule – treat others better.

### **Board Members Do Not Have!**

- Individual power or authority
- Neither does the Board President

### **Legal Liability**

- Fiduciary obligation to the organization.
- Conserve and protect the organization’s assets
- Responsible for corporate compliance ( information returns, payroll etc.)
- Must act in good faith and loyalty and the best interests of the organization
- Respecting donor’s wishes (temporarily and permanent restricted contributions)
- Liability to third parties

## CODE OF CONDUCT

I will respect and uphold the values of the Royal Palm Coast REALTOR® Association, Inc.:

- **Inclusiveness** – we recognize that diversity is strength and will seek to involve all people, as active participants in their community.
- **Responsive** – we will strengthen the efforts of individuals and groups to meet community needs and make a difference.
- **Quality** – we will strive for excellence in the delivery of our services and activities.
- **Connected** – we will work with others through local and regional contacts and partnerships to enhance community well-being.
- **Accessible** – we will provide fair and open access to volunteer opportunities and support.
- **Forward looking** – we will recognize the need for continual review and improvement.
- **Impact focused** – we believe that success is measured by outcomes, and will seek to deliver results that benefit both individuals and the community.

## GENERAL

- I will act within the governing documents and the law, and abide by the policies and procedures of the Organization. This includes having a knowledge of the contents of the relevant policies and procedures.
- I will support the objects and mission, championing it, using any skills or knowledge I have to further that mission and seeking expert advice where appropriate.
- I will be an active volunteer, making my skills, experience and knowledge available to the Organization and seeking to do what additional work I can outside our meetings, including sitting on sub-committees.
- I will respect organizational, Board and individual confidentiality, while never using confidentiality as an excuse not to disclose matters that should be transparent and open.
- I will develop and maintain a sound and up-to-date knowledge of this Organization and its environment. This will include an understanding of how we operate, the social, political and economic environment in which it operates and the nature and extent of its work.
- I will use our resources responsibly, and when claiming expenses will do so in line with our procedures.
- I will seek to be accountable for my actions as a Volunteer and will submit myself to whatever scrutiny is appropriate.
- I accept my responsibility to ensure that our Organization is well run and will raise issues and questions in an appropriate and sensitive way to ensure that this is the case.



## MANAGING INTERESTS

- I will not gain materially or financially from my involvement.
- I will act in the best interests of the Organization as a whole, and not as a representative of any group – considering what is best for the Organization and its present and future beneficiaries and avoiding bringing the Organization into disrepute.
- I will not put myself in a position where my personal interests' conflict with my duty to act in the interests of the organization. Where there is a conflict of interest I will ensure that this is managed effectively in line with our policy.
- I understand that a failure to declare a conflict of interest may be considered to be a breach of this code.

## MEETINGS

- I will attend all appropriate meetings and other appointments at our Organization or give apologies. If I cannot regularly attend meetings I will consider whether there are other ways I can engage with our Organization.
- I will prepare fully for all meetings and work for the organization. This will include reading papers, querying anything I do not understand, thinking through issues before meetings and completing any tasks assigned to me in the agreed time.
- I will actively engage in discussion, debate and voting in meetings; contributing in a considered and constructive way, listening carefully, challenging sensitively and avoiding conflict.
- I will participate in collective decision making, accept a majority decision of the Board and will not act individually unless specifically authorized to do so.

## GOVERNANCE

- I will actively contribute towards improving the governance of the Board participating in induction and training and sharing ideas for improvement with the Board.
- I will help to identify good candidates for the Board at our Organizations and, with my fellow Volunteers, will appoint new Officers and Directors in accordance with agreed selection criteria.

## RELATIONS WITH OTHERS

- I will endeavor to work considerately and respectfully with all those I come into contact with at our Organization. I will respect diversity, different roles and boundaries, and avoid giving offence.
- I recognize that the roles of Officer/Director, volunteers and staff of our Organization are different, and I will seek to understand and respect the difference between these roles.

- Where I also volunteer with the Organization I will maintain the separation of my role as an Officer/Director and as a volunteer.
- I will seek to support and encourage all those I come into contact with at our Organization. In particular I recognize my responsibility to support the President and the senior staff member.
- I will not make public comments about the organization unless authorized to do so. Any public comments I make about our Organization will be considered and in line with organizational policy, whether I make them as an individual or as Volunteer.

## LEAVING THE BOARD

- I understand that substantial breach of any part of this code may result in procedures being put in motion that may result in my being asked to resign from the Board of Director
- Should this happen I will be given the opportunity to be heard. In the event that I am asked to resign from the Board I will accept the majority decision of the Board in this matter and resign at the earliest opportunity.
- If I wish to cease being a Director of our Organization at any time, I will inform the President in advance (giving as much notice as possible) in writing, stating my reasons for leaving.

Signed

Name

Date

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## PRESIDENTS ROLE DESCRIPTION

The President has a strategic role to play in representing the vision and purpose of the Organisation. The President ensures that the Board functions properly, that there is full participation at meetings, all relevant matters are discussed and that effective decisions are made and carried out.

### ENSURE THE BOARD OF DIRECTORS FUNCTIONS PROPERLY

- To plan and run meetings in accordance to the governing document.
- To ensure matters are dealt with in an orderly, efficient manner.
- To bring impartiality and objectivity to meetings and decision-making.
- To facilitate change and address conflict within the Board.
- To review governance performance and skills.
- To plan for recruitment and renewal of the Board of Directors.

### ENSURE THE ORGANIZATION IS MANAGED EFFECTIVELY

- To meet with the chief officer, as appropriate, to keep an overview of the Organization's affairs.
- To facilitate change and address conflict within the Organization, meeting with the chief officer to achieve this.

### REPRESENT THE ORGANIZATION

- To communicate effectively the vision and purpose of the Organization.
- To advocate for and represent the Organization at external meetings and events.
- To be aware of current issues that might affect the Organization.

### QUALITIES AND SKILLS REQUIRED

- Good leadership skills.
- Good communication and interpersonal skills.
- Impartiality and fairness.
- Ability to ensure decisions are taken and followed-up.
- Good time-keeping.
- Tact and diplomacy.
- Understanding of the roles/responsibilities of a Board.
- Experience of organizational and people management.
- Knowledge of the operating environment

**TIME COMMITMENT:** The role of President requires an estimated commitment of 16 hours/month

# The Executive Committee

## PURPOSE

The original purpose of Executive Committees was to review major issues that organizations faced and make preliminary decisions for discussion and voting at the next full Board meeting. Over time, many organizations have made the Executive Committee a Standing Committee that meets shortly before the full Board meeting and acts as a Steering committee. The make-up of Executive Committees is as individual as the Boards they represent. Each organization's bylaws award Executive Committees varying degrees of authority and responsibility. Officers of the Board, including the President/Chair, President-Elect/Vice Chair, Secretary, and Treasurer make up the basic membership of the Executive Committee

## BENEFITS

There are distinct advantages for the CEO and the organization in having an Executive Committee. CEO's can rely on the Executive Committee to vet matters that are highly confidential or aren't ready for formal, full-Board deliberations. It's often easier for smaller executive Boards to get together on an emergency or unplanned basis, than in a larger Board, where most of the work is done in smaller committees. Executive Committees handle routine matters that would otherwise take up the full Board's limited time.

## STRUCTURING THE EXECUTIVE COMMITTEE

What is the ideal structure of an Executive Committee and its relation to the formation or continuation of an Executive Committee? The most common structure is a model where Executive Boards meet on an "as needed" basis. The organization's bylaws spell out specific duties of the Executive Committee. Executive Committees that also serve as Governance committees are typically responsible for bylaws, policy review, Board education, Board self-assessment ([example next page](#)), new member orientation, and Board succession planning. These duties may come with full or partial authority, which will also be spelled out in the bylaws. Some Executive Committees have full authority to act on behalf of the Board.

## BOARD OF DIRECTORS SELF-ASSESSMENT

The following self-assessment is designed for you to reflect on your role as a Board of Directors member and consider any areas that you would like further support or information.

AREA	YES / NO	ACTION REQUIRED (how to improve in this area)
<p><b>Vision and Leadership</b></p> <ul style="list-style-type: none"> <li>• Is the vision and mission of the organization clear?</li> <li>• Are the values of the organization clear?</li> <li>• Are you aware of the key issues &amp; changing environment relevant to your organization/sector?</li> </ul>		
<p><b>Roles and Responsibilities</b></p> <ul style="list-style-type: none"> <li>• Are Board of Directors role descriptions and expectations clear?</li> <li>• Do you receive the information you need prior to meetings?</li> <li>• Do you understand the Organization's financial position?</li> <li>• Do you feel you have an equal input into Board business and decision-making?</li> <li>• Is decision-making always in the best interests of the organization?</li> <li>• Are conflicts of interest dealt with effectively?</li> </ul>		
<p><b>Legal Structure</b></p> <ul style="list-style-type: none"> <li>• Is your Organization's legal structure clear?</li> <li>• Is the purpose of your governing document clear?</li> <li>• Do you feel fully aware of your legal responsibility?</li> </ul>		

# Operations

## THE DIFFERENCE BETWEEN GOVERNANCE AND MANAGEMENT

In the simplest terms, Boards are responsible for oversight and planning and management takes care of the daily operations. The breakdown in the duties and responsibilities for each section are much more extensive. Whether you take a broad or a narrow approach to the difference between governance and management, the differences are specific and distinct. Those who know their roles well also understand the importance of not blurring the lines between the two roles. When Board Directors and managers stay in their own lanes, Organizations are more likely to run smoothly.

## THE ROLE OF GOVERNANCE

The Board of Directors takes on the role of governance. Governance is the practice of the Board of Directors coming together to make decisions about the direction of the Organization. Duties such as oversight, strategic planning, decision-making and financial planning fall under governance activities.

The Board is responsible for creating the Organization's bylaws, which are a set of core policies that outline the Organization's mission, values, vision and structure. On an as-needed basis, the Board creates and approves major policies.

One way to define the differences between governance and management responsibilities is to determine whether a duty or responsibility focuses on the big picture. In a paper called "Distinguishing Governance from Management" author Barry S. Bader outlines seven guiding questions to determine whether something falls under governance and is thus the Board's responsibility:

1. Is it big?
2. Is it about the future?
3. Is it core to the mission?
4. Is a high-level policy decision needed to resolve a situation?
5. Is a red flag flying?
6. Is a watchdog watching?
7. Does the CEO want and need the Boards support?

All Organizations face known and unknown risks. Technology has caused risks to become more prevalent and intrusive to business. In the area of strategic planning, Boards are responsible for delivering sustainable stakeholder value for the short and long term. Boards should refrain from getting directly involved in daily matters. Without being directly involved, Boards must work closely with managers by providing guidelines. Management should be sharing financial reports and the annual budget with the Board. Boards analyze financial reports and make many decisions, including decisions about major acquisitions, disposals and capital expenditures.

## THE ROLE OF MANAGEMENT

Management structures can take on an infinite number of formats depending on the size and type of Organization. In all cases, management decisions support and implement the Board's goals and values. Managers make routine operational decisions and handle all of the administrative work that makes the operation tick.

Executives become the liaison between the Board and lower-level managers. One of their duties is to communicate the Board's expectations down to employees in lower levels of the operation. To accomplish this, managers may break down the Board's expectations into short- and long-term operational goals to see implementation through to completion.

While the Board of Directors creates policies, managers are responsible for enforcing policy and holding employees accountable for their actions. While the Board may provide an overall budget, department managers often must produce their own budgets and communicate their budgetary needs to senior managers. Senior managers communicate the lower managerial budgetary needs to the Board so that budgetary matters get reconciled throughout the Organization.

Managers are in a position where they must please or appease people on many different levels and from many different facets of the organization. As a result, managerial positions are often high-pressure/high-stakes jobs that require a cool head and sound decision-making under pressure. Managers who have good collaborative skills can often take some of the pressure off themselves by using problem-solving strategies to move past challenges.

### Executive Management Should Expect Certain Things from Its Board

- Show up and be prepared.
- No sand bagging – express their views and timeliness/quality of the information they receive.
- They will seek additional information if they need it.
- Confine their activities to their role as trustees, and not allow themselves to drift into the management domain.
- Loyalty to the organization.

## THE BOARD-MANAGEMENT RELATIONSHIP

Boards Roles	Managements Roles
Select, evaluate, and support the CEO.	<ul style="list-style-type: none"> <li>➤ Run the organization in line with Board direction.</li> <li>➤ Keep the Board educated and informed.</li> <li>➤ Seek the Boards counsel.</li> </ul>
Approve high-level organizational goals and policies	<ul style="list-style-type: none"> <li>➤ Recommend goals and policies, supported by background information.</li> </ul>
Make major decisions.	<ul style="list-style-type: none"> <li>➤ Frame decisions in the context of the mission and strategic vision, and bring the Board well-documented recommendations.</li> </ul>
Oversee management and organizational performance.	<ul style="list-style-type: none"> <li>➤ Bring the Board timely information in concise, contextual, or comparative formats.</li> <li>➤ Communicate with candor and transparency.</li> <li>➤ Be responsive to requests for additional information.</li> </ul>
Act as external advocates and diplomats in public policy, fundraising, and stakeholder/ community relations.	<ul style="list-style-type: none"> <li>➤ Keep the Board informed, bring recommendations, and mobilize directors to leverage their external connections to support the organization.</li> </ul>

Some practices and structures can help a Board stay out of operations and focus on governance. The President should exercise leadership and not hesitate to keep discussions focused on a higher plane. A consent agenda enables a Board to handle routine matters without discussion and frees up time for more important matters of policy and strategy, as well as Board education. Committees for finance and investments, quality, audit and organizational compliance, and executive compensation have clear governance purposes. (Conversely, in many cases, Board committees on marketing and facilities for example, engage Board members in management work and usually aren't needed.)



# Committee Overview

Committee work divides the Board's work into manageable tasks. Committees are smaller groups with a tight focus on a particular issue or project. Having too many committees can bog down the work of the Board. To get the best value from committees, Boards should form as few committees as they need to address the Strategic Plan, events or critical issues. Committees should be clear in their directives and scope of work.

## WRITING JOB DESCRIPTIONS FOR COMMITTEES

Board committees need to be clear on what the Board expects the committee to accomplish. Boards often write a committee description for committees that specifically outlines the purpose of the committee. The committee Chair may work with committee members to outline a timeframe of what they hope to accomplish at the very first meeting to keep everyone focused and on track. If it looks like there's not enough work for the committee to do, committee Chairs may suggest combining one or more committees.

## FORMING A COMMITTEE

The Board President/Chair usually has a good idea of who the best person is to chair a particular committee and which members have the best qualifications and interest in serving on it.

## HOW MANY COMMITTEES SHOULD A NOT FOR PROFIT BOARD HAVE?

How many committees should a Board have? The answer is "as many as they need." There's a new trend in the role of committees that less is more. Fewer committee meetings mean that each member only has to serve on one committee. A smaller number of meetings means less work, and everyone likes that. Fewer committee meetings also means that the Board gives greater accountability to a smaller number of individuals.

## ROLE AND RESPONSIBILITIES OF COMMITTEES

The main purpose of Board committees is to place a greater amount of time and focus on a particular area of Board business. Committees spend less time in performing routine matters, which gives them more dedicated time to thoroughly research and vet an issue or project before making recommendations to the full Board. Boards allow committee members the proper time to research an issue or project in depth, analyze it and provide documentation to the full Board to support their findings. Committee members should know how to work collaboratively to locate and evaluate data and investigate all avenues and alternatives.

An effective committee is aware of their charge and limit of authority. Working together, they establish a reasonable timeline for the completion of the committee's work. They will also know when their work is complete and when it's an appropriate time to make final recommendations to the rest of the Board.

## COMMON COMMITTEES

Most Organizations have a few standing committees that meet all year long. When certain issues arise that don't fall into the purpose of one of the standing committees, not for profits usually form an ad hoc committee. Ad hoc committees form to handle issues that are typically short-term and specialized in nature. A few examples of issues that could trigger the formation of an ad hoc committee are special events, strategic planning, a task force or any other situation that's special or unique. Depending on the needs of the organization, companies may form one or more standing committees.

## MAKING MEETINGS BETTER

IN ORDER TO CONTRIBUTE TO MEETINGS MEMBERS MUST:

- attend the meetings
- listen carefully
- arrive on time
- pay attention
- read the agenda
- say what you think
- read any papers
- understand the role of the Chair
- keep to the point
- be aware of legal duties
- keep informed
- join in activities
- ask questions
- volunteer to help
- put items on the agenda
- help to clear up questions

*Based on: The Open University: "Better Meetings" - Copyright free*

### EXERCISE

Every member of a meeting has a responsibility to take part. This isn't always easy. Sometimes people don't know what their responsibilities are. Some people are shy and find it hard to speak, which makes it difficult to fulfil their responsibilities. Sometimes people are simply not that interested.

IN THE LIST ABOVE ARE 14 RESPONSIBILITIES OF A COMMITTEE MEMBER.

1. Read through the list and try to add some ideas of your own.
2. Rate yourself on a scale from 0 - 5 on how good you are at fulfilling each responsibility and fill this in the space on the right. [0 = not good at all, 5 = very good, 1, 2, 3 and 4 are the points in between]. If, for instance, you arrive early for every single meeting, give yourself '5' for arriving on time; if you are aware that you don't pay attention a lot of the time, for whatever the reason, you might give yourself '1' for paying attention; you might give yourself '3' for volunteering to clear up; and so on.
3. Divide your committee into pairs and ask them to discuss how good they are at fulfilling their responsibilities as ordinary members. They should consider why they find each responsibility easy or difficult and what would help them to fulfill their responsibility better.
4. Reform the group and ask for brief feedback from each pair. Then open a general discussion.
  - Which responsibilities are least well-fulfilled in your meetings? What effect does this have on the way meetings go?
  - Which responsibilities do people find hardest to fulfill? What would help people to fulfill them better? Is the problem to do with motivation or with lack of opportunity?

## CHAIRPERSON ROLE DESCRIPTION

The Chairperson has a strategic role to play in representing the vision and purpose of the Organisation. The Chairperson ensures that the committee functions properly, that there is full participation at meetings, all relevant matters are discussed and that effective decisions are made and carried out.

### ENSURE THE COMMITTEE FUNCTIONS PROPERLY

- To plan and run meetings in accordance to the governing document.
- To ensure matters are dealt with in an orderly, efficient manner.
- To bring impartiality and objectivity to meetings and decision making.
- To facilitate change and address conflict within the Committee.

### ENSURE THE COMMITTEE IS MANAGED EFFECTIVELY

- To liaise with the staff, as appropriate, to keep an overview of the Committee.
- To co-ordinate the committee, to ensure responsibilities for particular aspects of tasks are met.
- To facilitate change and address conflict within the Committee.

### REPRESENT THE COMMITTEE

- To communicate effectively the results to the Board of Directors.
- To advocate for and represent the Committee at meetings and events.

### QUALITIES AND SKILLS REQUIRED

- Good leadership skills.
- Good communication and interpersonal skills.
- Impartiality, fairness and respect.
- Ability to ensure decisions are taken and followed-up.
- Good time-keeping.
- Tact and diplomacy.
- Understanding of the roles/responsibilities of a committee.
- Knowledge of the operating environment

**TIME COMMITMENT:** The role of Chair requires an estimated commitment of 7 hours/month

# DEALING WITH CONFLICT

## WHAT TO DO WHEN...

Most Boards/Committees have some sort of challenge with individual members. Here are some examples with ideas regarding how this can be handled effectively.

**Remember!** All committee members have a valuable role to play. The diversity of membership, with differing backgrounds, skill-sets, experience and personalities can be a source of strength for the Organization if effectively managed.

## CONFLICTS WITH PAST LEADERSHIP

The issue of past leadership Board/Committee members is a recurring one and must be handled sensitively. Past leadership naturally treat an Organization as their own and feel that only they are the true custodians of its values and mission. Consequently, they tend to want to keep a grip on the Organization.

Past leadership have vision - that is why they volunteered in the Organization in the first place. But their vision should be realized through the constitution, ethos and underlying principles of the Organization that they helped set up, not by exceeding the limits of their authority.

- Past leadership may try to dominate the governance process by:
- Making key decisions without referring them to the Committee/Board.
- Recruiting members who are too busy, weak or beholden to them to question their decisions
- Withholding information from other members
- Manipulating the Committee/Board into giving power to smaller Executive or Policy Committees, which they dominate.

**Remember!** Past leadership have no special place in law. Past leadership should realize that once the Organization is formally constituted, they are bound by the constitution just like everyone else.

## HOW TO ADDRESS CONFLICT

- Recognize and respect past achievements and strategy when proposing new directions. Careful listening and discussion can help the past leadership move on. It can help the individual see that change is necessary and help them see how their dream lives. Appreciate their experience and encourage them to apply this to planning within the changed environment.
- Organizational values, the constitution and the legal duties of members should always prevail. Make sure that past leadership understands the boundaries of their role. This can be tackled by discussing and developing role descriptions and a Code of Conduct for all members, or tackling a review discussion of what is already in place.

- A difficult past leadership chair is especially tricky. Sound out the other members and identify sympathetic ones to support you in challenging their behavior. It is often best to address this by ensuring correct and appropriate procedures are adopted and implemented in order to limit their ability to dominate the governance process, rather than tackling the individual directly.
- Review their continued role and contribution. Is there another way in which past leadership can be involved in the Organization other than as a Board member? Could they contribute in an advisory capacity? Does the original governing limit terms of office of Board members (including past leadership members)? What options exist to let past leadership go without too much pain?

## DEALING WITH FACTIONS

Factions often develop where the Board/Committee is split over a significant decision or strategy. The Board/Committees of voluntary/community Organizations are often strongly value-based, and may each be convinced that their stance is in the best interests of the Organization. Unfortunately, this may increase the intensity of the conflict. Disputes may be in relation to a new initiative, strategy or even the appointment selection of a key staff member or chair.

### HOW TO TACKLE

- Consider whether there are reasonable options available that could reach some accommodation with the views of both factions (the win-win approach).
- Consider how the Board/Committee conducts its strategic planning. Do they encourage full and free expression? Are all members encouraged to contribute? Are conflicting opinions openly voiced and sensitively considered? Does the committee make effort to accommodate concerns raised regarding their plans?
- Consider how decision-making is conducted. It is important to be clear regarding how decisions are to be reached on governance matters (whether by consensus or voting) and that any delegated decision-making authority is clarified in writing with appropriate reporting mechanisms. Our governing document may provide specific rules on these matters.
- Remind members that they are bound by the decision of the committee, even where they disagree, and must continue to carry out with integrity their responsibilities to act in the best interests of the Organization. Highlight the damage that can be caused to the Organization by such factional conflict.

## DEALING WITH INNER CIRCLES

Another type of factional conflict is the creation of an inner circle: a small number of Board/Committee members who control decision-making and refuse to delegate. Every member should have the same power as another and none should be excluded.

Inner circles are often created to ensure the group's own agenda is achieved without opposition, interference or challenge. Frequently they reveal a split between old and new members, where they are reluctant to spend time and energies reconciling the conflicting viewpoints regarding the best approach. This means that the concerns, views and skills of the excluded members are not being harnessed to the benefit of the Organization.

**Remember!** This may not always be intentional. Sometimes these groups develop from a perception of who is willing and available to give additional time. Others are so focused on achieving their objectives within limited time available, that they find it more efficient to work with certain key individuals in making progress.

### HOW TO TACKLE

- Conduct a skills analysis for the committee. This helps to make everyone aware of the range of skills and experience available within the group and may encourage more even involvement.
- Review induction processes. Are new members sufficiently up to speed and able to contribute? Are existing members given the opportunity to meet with them informally?
- Clarify authority for delegated tasks, decision-making and reporting. Which decisions need to be authorized by the whole committee?
- Clarify decision-making processes for committee matters as a whole. Check what your governing document says regarding use of consensus, voting and meeting quorum.
- Introduce/enforce a code of conduct for members
- Ensure your committee procedures enable a sensible turnover of members.
- Consider outside help for more serious problems or for mediation

## MANAGING CHALLENGING BEHAVIORS

Sometimes the behaviors of certain individuals can threaten to destabilize the harmonious workings of a committee. Here's just a few to look out for, with ideas of what can be done.

### MEMBER WHO ACTS UNILATERALLY

- Clarify limits of authority for delegated tasks or roles, decision-making and reporting. Which decisions need to be authorized by the whole committee? Provide this in writing, approved by the whole committee.

- Review roles and responsibilities of committee members. Reiterate the collective responsibility of the management committee/board.
- Introduce/enforce a code of conduct for members

#### MEMBER WHO DOESN'T ATTEND, DOESN'T CONTRIBUTE

- Contact the individual to confirm the reasons for non-attendance (could be a short-term personal or work challenge)
- Check what your governing document says regarding required attendance.
- Introduce/enforce a code of conduct for members - ensure it includes attendance levels required and species actions to be taken if breached
- Review how you provide induction - do you provide a written description of roles and responsibilities
- Ensure your committee procedures enable a sensible turnover of members.

#### MEMBER WHO IS VOLATILE, SPEAKS OUT OF TURN OR MONOPOLIZES MEETINGS

- Agree a 'group contract' that governs how meetings and discussions are run, to clarify expected behaviors. Establish an agreed approach for each agenda item, making clear when an individual makes an uninterrupted presentation and when items are open for discussion.
- Ensure your chairperson has effective skills in chairing meetings or is given access to appropriate training. The chairperson has a vital role in managing contributions from all attendees.
- Reiterate the importance of all members being able to contribute.

#### MEMBER WHO PURSUES OUTSIDE AGENDA

- Introduce/enforce a code of conduct for members, including a conflict of interests' policy. Ensure this has agreed procedures for actions to be taken if breached.
- Clarify the role of the relevant member. Sometimes this situation arises where a member is appointed as a representative of another Organization. Remind members of their responsibility as **Board/Committee** members to act solely in the best interests of this Organization.



# ROBERTS RULES OF ORDER

ABBREVIATED

## WHAT IS PARLIAMENTARY PROCEDURE?

It is a set of rules for conduct at meetings that allows everyone to be heard and to make decisions without confusion. It's a time-tested method of conducting business at meetings and public gatherings. It can be adapted to fit the needs of any organization.

## SAMPLE ORDER OF BUSINESS:

1. Call to order and roll call of members
2. Present the Agenda
3. Consider minutes of last meeting—vote to accept amended minutes.
4. Special orders--important business previously designated for consideration at this meeting
5. Business--motions
6. Announcements
7. Adjournment

## PRESENTING MOTIONS:

1. Obtain the floor
2. Make a motion--avoid personalities and stay on subject.
3. Wait for someone to second the motion.
4. Another member will second the motion or the Chairman will call for a second--if there is no second to motion it is lost.
5. The Chairman restates the motion.
6. Debate—concise and focused on content of motion.
7. Keep established time limits.
8. Put the question to the membership--if there is no more discussion, a vote is taken.

**Note:** Motion to Table -- This motion is often used in the attempt to "kill" a motion. The option is always present, however, to "take from the table", for reconsideration by the membership.

## VOTING ON A MOTION:

1. By General Consent -- When a motion is not likely to be opposed, the Chairman says, "if there is no objection ...". The membership shows agreement by their silence, however if one member says, "I object," the item must be put to a vote.
2. By Voice -- The Chairman asks those in favor to say, "aye", those opposed to say "no". Although "voice" is preferred, any member may move for an exact count.
3. By Ballot -- Members record their votes; this method is used when secrecy is desired.

In summary, parliamentary procedure is an effective means to get things done at your meetings. But, it will only work if you use it properly.

1. Allow motions that are in order.
2. Have members obtain the floor properly.
3. Obey the rules of debate—stay focused

Most importantly, **BE COURTEOUS.**

Adapted from: <http://www.robertsrules.org/rulesintroprint.htm>

# RPCRA Structure

## Organizational Charts

The traditional org chart (or hierarchy chart) is the graphical representation of an organization's structure. Its purpose is to illustrate the relationships and relative ranks of job positions within the organization.

Depending on the situation organizational charts can be a disadvantage as well.

- Not showing informal channels – This is one of the biggest disadvantages of organizational charts. Not all communication channels are formal and well defined and org charts fail to capture them. Although org charts are not meant to capture them, informal channels are vital in any organization or business so failing to capture them might hinder communication.
- A maintenance headache – An outdated organizational chart is almost worthless. But keeping it up to date is very hard, especially for large organizations. Employees might change departments, leave the company, assigned a new role etc. in a short period of time. Since it is hard to keep track of these changes properly maintaining an org chart will be time consuming.

Overall, the advantages outweigh the disadvantages but that might depend on the organization.

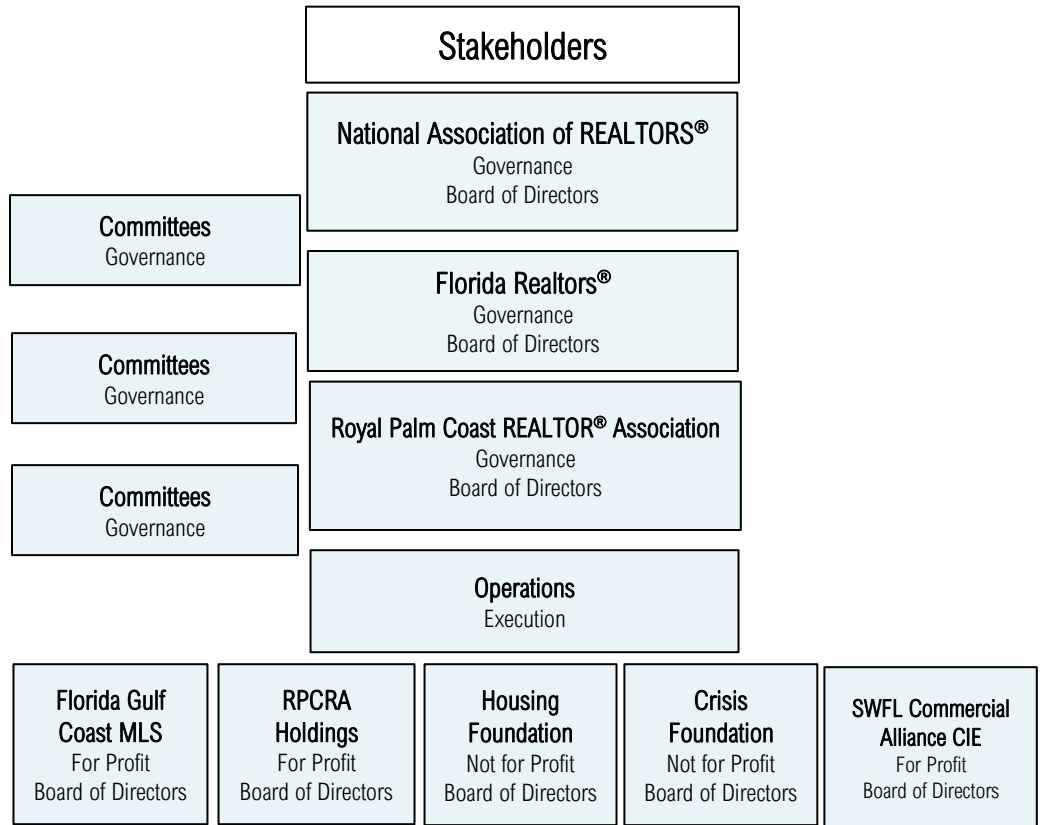
The following charts depict the Royal Palm Coast REALTOR® Association, Inc. with all its subsidiaries.

## Glossary

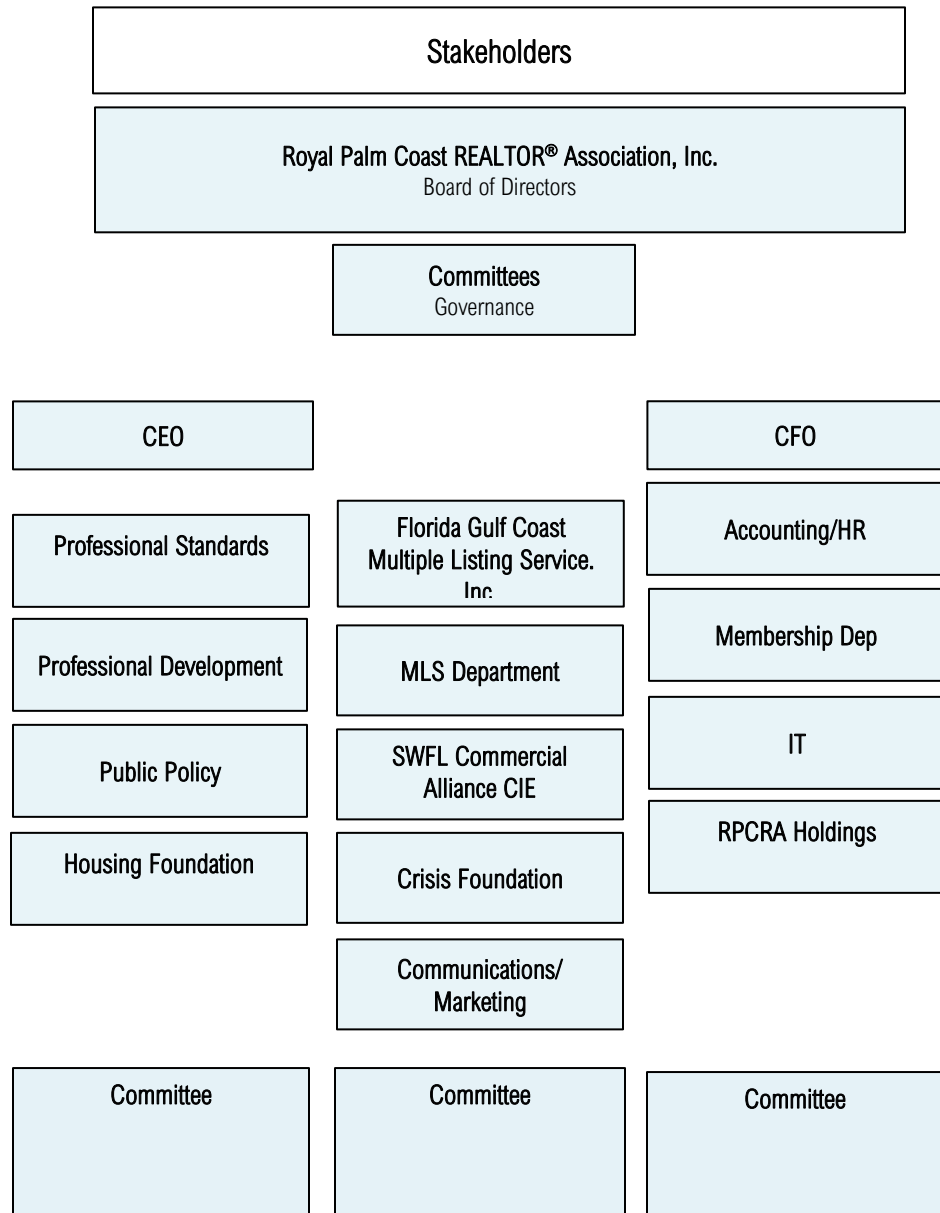
<b>BOD</b>	Board of Directors
<b>BOT</b>	Board of Trustees
<b>FGCMLS</b>	Florida Gulf Coast Multiple Listing Service, Inc.
<b>FR</b>	Florida Realtors®
<b>MLS</b>	South West Florida Commercial Alliance Commercial Information Exchange
<b>NAR</b>	National Association of REALTORS®
<b>RPCRA</b>	Royal Palm Coast REALTOR® Association, Inc.
<b>Stakeholders</b>	Members
<b>SWFLA Group</b>	Bonita, Naples and FGC MLS Group to discuss common MLS platform policies

Committees listed below the subsidiaries are managing committees or cover some topics of the charted organization.

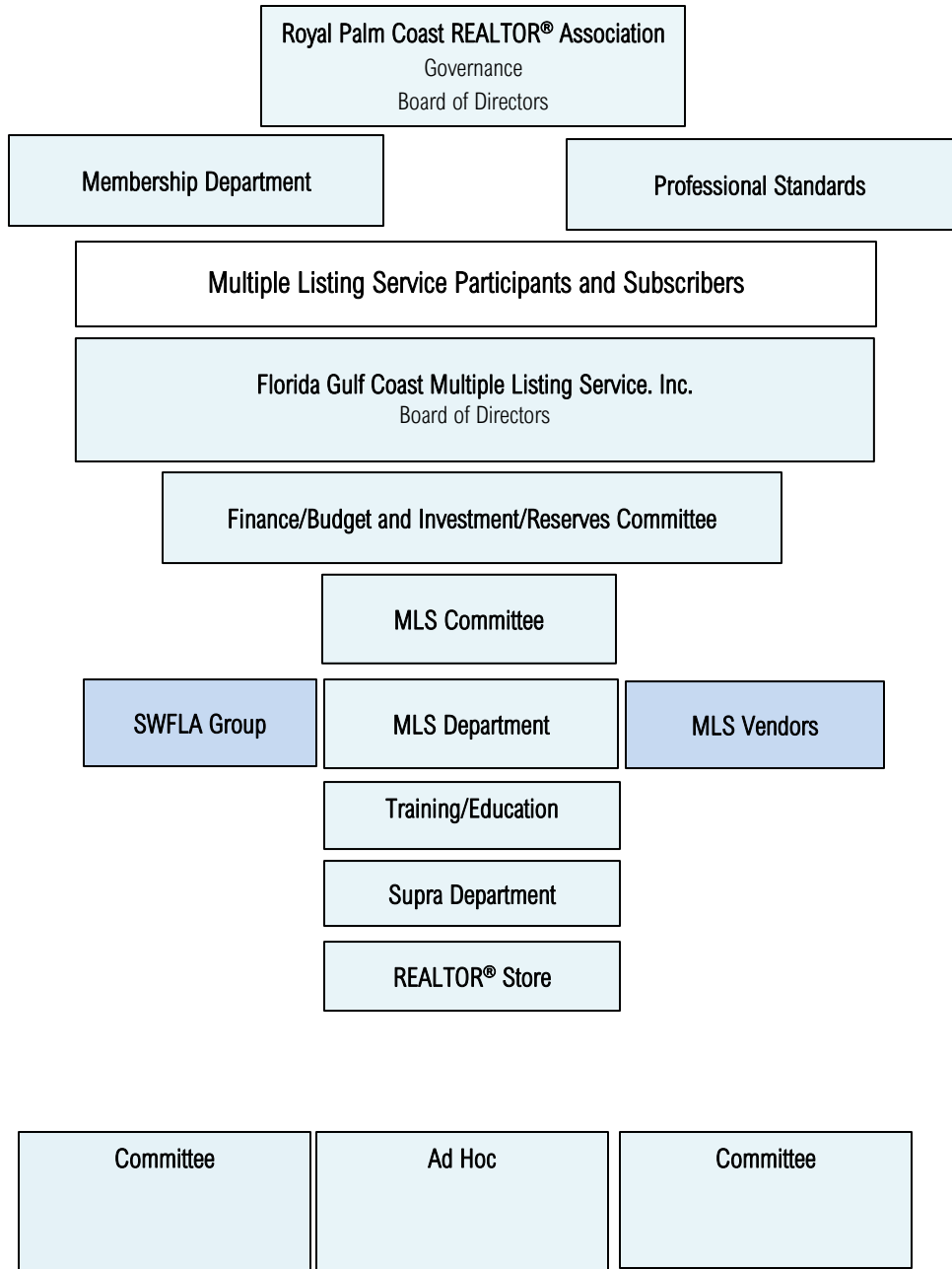
OVERALL GOVERNANCE CHART:



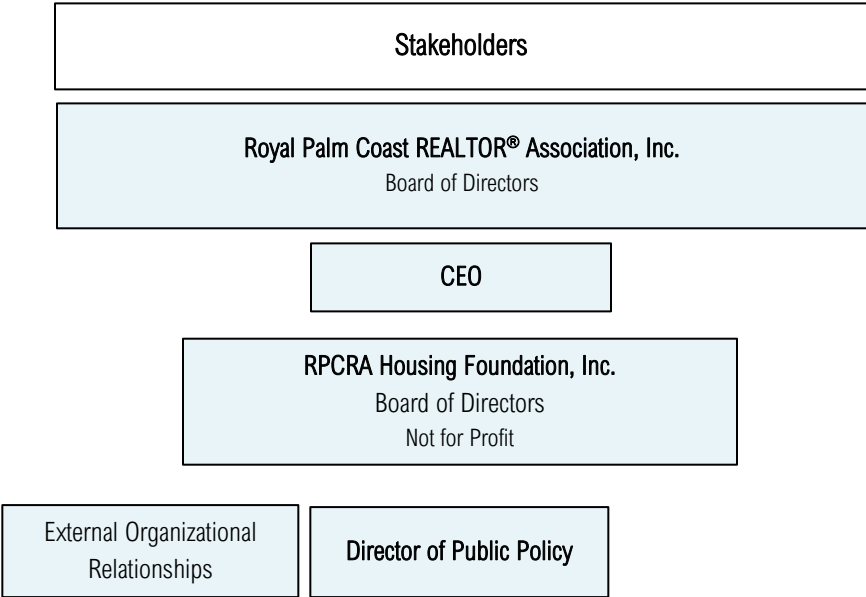
ROYAL PALM COAST REALTOR® ASSOCIATION, INC.:



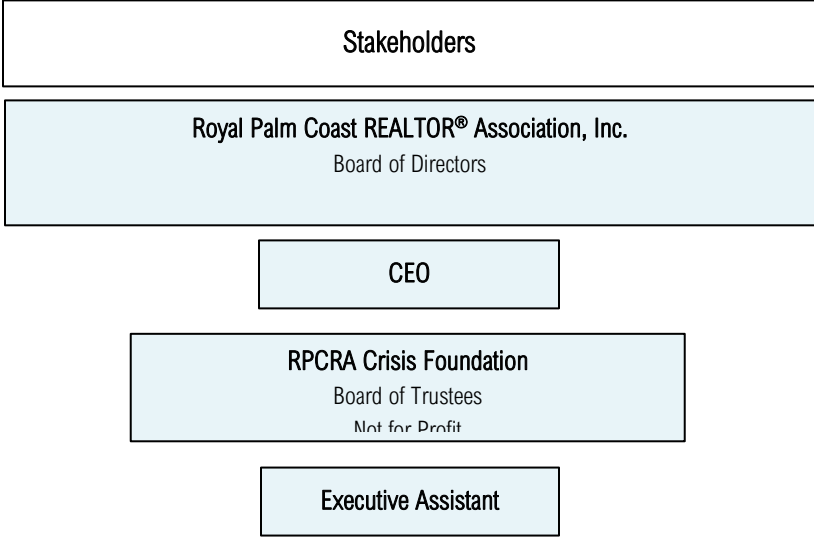
FLORIDA GULF COAST MULTIPLE LISTING SERVICE, INC.  
SUBSIDIARY:



RPCRA HOUSING FOUNDATION, INC. SUBSIDIARY:

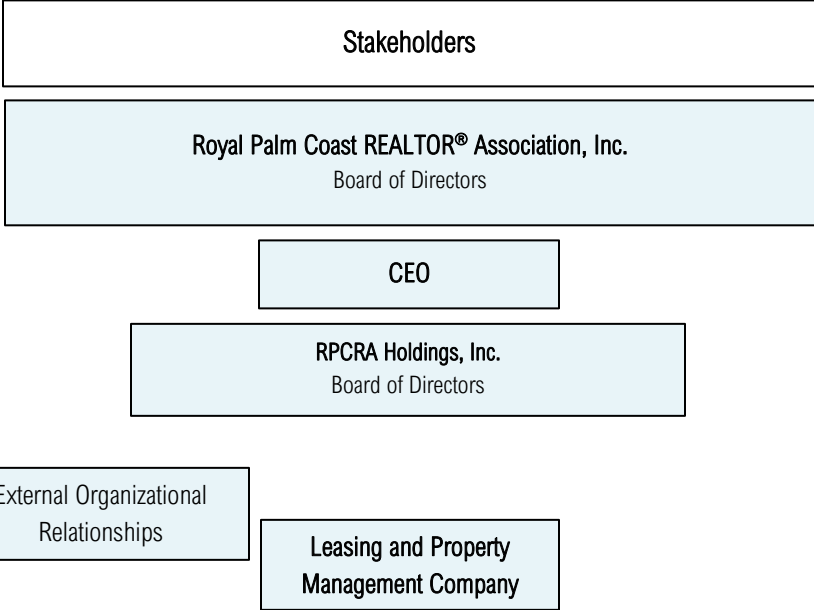


RPCRA CRISIS FOUNDATION, INC. SUBSIDIARY:

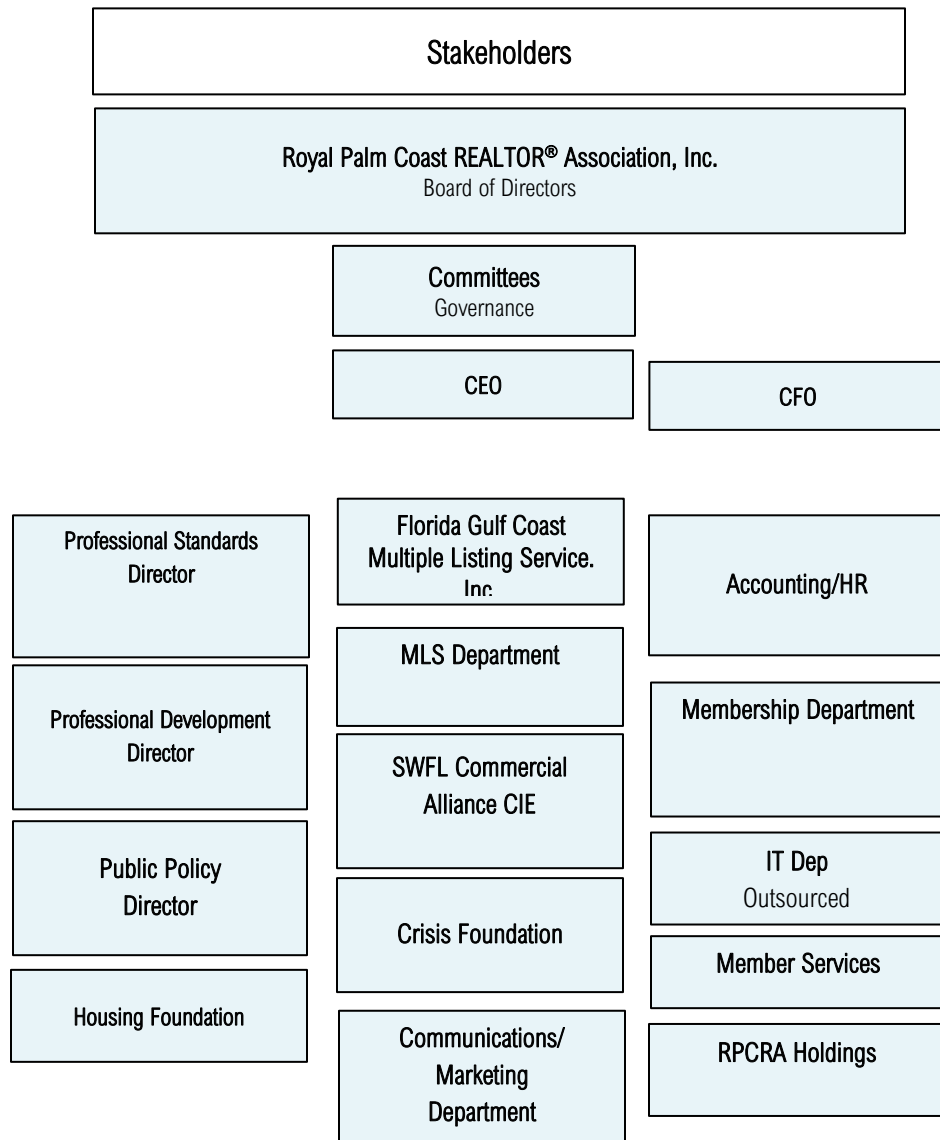




RPCRA HOLDINGS, INC. SUBSIDIARY:



## RPCRA OPERATIONS :



# RPCRA COMMITTEE BASICS

## COMMITTEE'S ROLE

A committee's primary function is to provide programs, products, and services that best meet members' needs and are cost effective. Committee goals are set by the RPCRA Board of Directors and the outcome must comply with the Strategic Plan of RPCRA.

## THE LIFE OF A COMMITTEE

Each association must individually decide which committees should be standing and which task forces and working groups are necessary. When making such decisions, consider the following questions.

- Are the committees as effective as they might be?
- Are there any activities or methods that will increase their odds for success?

**REMEMBER:** Under the association strategic plan, take appropriate action when committees outlive their functions!

## COMMUNICATIONS POLICY FOR COMMITTEES

As a volunteer leader of RPCRA, it is imperative that you receive and engage in discourse regarding RPCRA business. You are expected to communicate with your committee regularly via phone, text, and email. Therefore, we ask that you provide and maintain with RPCRA your current email address and cell phone number.

You can maintain your current email address and cell phone number in your member record contacting Member Support at 239-936-3537 or [emillynda@rpcra.org](mailto:emillynda@rpcra.org).

You are expected to participate in RPCRA surveys seeking feedback from RPCRA leadership. You are encouraged to subscribe to the RPCRA electronic newsletters and publications, as these sources provide up-to-date information on topics of interest.

As an RPCRA leader, you are charged with establishing and supporting RPCRA/FR/NAR public and governing policies in furtherance of RPCRA's mission. Therefore, you agree to communicate consistent with that charge and to avoid making any public statements – on social media or otherwise – that are contrary to achieving RPCRA objectives or that may reflect badly upon RPCRA's reputation.

## ATTENDANCE POLICY FOR COMMITTEES

Committee chairs, vice chairs, and members accept the responsibility for carrying out the goals of their committee when appointed, and meeting attendance is part of that responsibility.

If a committee chair, vice chair or member will be absent from a meeting, a written notice should be submitted to the staff executive before the meeting date (email suffices as a written notice). If a committee chair, vice chair or member is absent from three regularly scheduled committee meetings, he or she may forfeit the committee appointment subject to review by the Leadership.

## OWNERSHIP DISCLOSURE POLICY FOR COMMITTEE MEMBERS

Members of any RPCRA decision-making body must disclose the existence of any of the following:

(1) an ownership interest\* in, (2) a financial interest\*\* in, or (3) service in a decision-making capacity for any entity prior to speaking to a RPCRA decision-making body on any matter involving that entity.

After making the required disclosure, such member may participate in the discussion and vote on the matter unless that member has a conflict of interest as defined below.

\*Ownership interest is defined as the cumulative holdings of the individual; the individual's related spouse, children, and siblings; and of any trust, corporation, or partnership in which any of the foregoing individuals is an officer, director, or owns in the aggregate at least 50% of the (a) beneficial interest (if a trust), (b) stock (if a corporation), or (c) partnership interests (if a partnership).

\*\*Financial interest means any interest involving money, investments, extension of credit or contractual rights.

## CONFLICT OF INTEREST POLICY

A member of any RPCRA decision-making body has a conflict of interest whenever that member:

1. is a principal, partner, or corporate officer of a business providing, or being considered as a provider of, products or services to RPCRA ("Business");
2. serves on the board of directors of the Business unless the individual's only relationship to the Business is service as RPCRA's representative on such board; or
3. holds an ownership interest\* of more than one percent of the Business.

Members with a conflict of interest must immediately disclose such conflict of interest prior to participating in any discussions or vote of a RPCRA decision-making body that pertains to the Business. Such members may not participate in any discussions related to that Business other than to respond to questions asked of them by other members of the body. A member may not vote on any matter in which the member has a conflict of interest.

## CODE OF CONDUCT AND SEXUAL HARASSMENT

The members and staff must work together effectively as a team to accomplish the Association's goals. Such joint efforts are enhanced by an environment of courtesy and mutual respect. Offensive behavior not only impedes the effectiveness of the joint efforts but can also create exposure to legal liability.

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

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

Sexual harassment may be overt or subtle. It includes behavior that is not welcome; that is personally offensive; that fails to respect the rights of others; that lowers morale; and that, therefore, interferes with the effectiveness of our work. Sexual harassment may take different forms. One specific form is a demand for sexual favors. Other forms of harassment include:

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

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

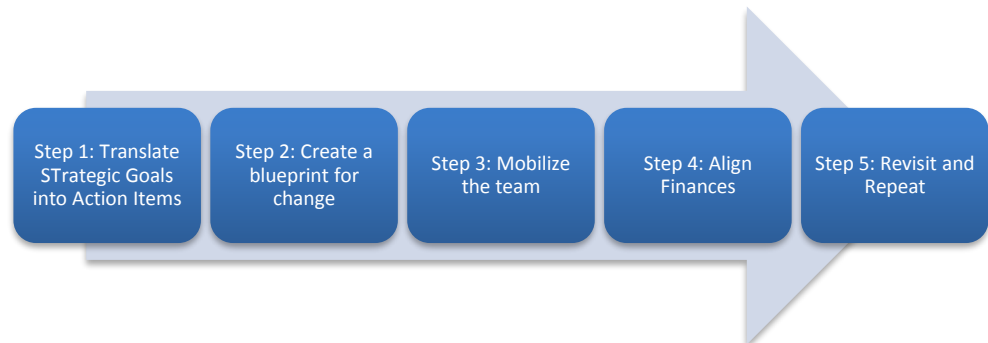
Any director who believes he or she has been the subject of sexual harassment should report the alleged act immediately to his or her regional vice president. If the complaint involves the regional vice president, the complaint should be brought to the attention of the first vice president.

Any committee member who believes he or she has been the subject of sexual harassment should report the alleged act immediately to the chair or vice chair of the committee. If the complaint involves the chair or vice chair, the complaint should be brought to the attention of the committee liaison.

Staff should follow the complaint procedures set forth in the Association's Employee Handbook.

# STRATEGIC PLAN IMPLEMENTATION

## STEP BY STEP



### STEP 1: TRANSLATE STRATEGIC GOALS INTO ACTIONABLE INITIATIVES

Step 1 Translate your long-term strategic goals into initiatives your organization will undertake in the next 12 to 18 months as part of the implementation process.

### STEP 2: CREATE A BLUEPRINT FOR CHANGE

Step 2 Consider your nonprofit's entire set of strategic initiatives to ensure that their scope, length, and required effort are realistic and appropriately sequenced.

### STEP 3: MOBILIZE THE TEAM

Mobilize your nonprofit's team to support and accomplish implementation goals in Step 3

### STEP 4: ALIGN FINANCES TO SUPPORT IMPLEMENTATION

In addition to staff time, implementing your strategy likely will require shifting finances or acquiring new resources to support strategic goals. Step 4 Allocate resources against your nonprofit's agreed upon goals.

### STEP 5: MONITOR PROGRESS

Organizations that are effective at strategic implementation have strong processes in place for systematically measuring and evaluating progress towards their goals.

Step 5 Explores processes that can help you ensure your nonprofit stays focused on executing its strategies, while learning and adjusting as you go.

### STEP 6: REVISIT YOUR STRATEGY AND REPEAT THE PROCESS

Discuss when you should consider repeating the steps described previously.

## DEFINING INITIATIVES

**Initiatives**, the major efforts required to make progress toward strategic goals, must be clearly described during the implementation process. To do this, we recommend defining the following elements for each initiative:

**Deliverables:** What will be the results of the initiative? How will "success" be measured?

**Initiative leader and team:** Who is responsible and involved in the work?

**Key activities:** What action steps need to be undertaken to achieve the deliverable?

**Resource requirements:** What investments (people, equipment, time, finances) will be needed to carry out the initiative?

**Interdependencies:** How will the initiative impact other functions or areas of the organization? How will it affect other initiatives?

**Milestones:** What are the major events, accomplishments, or key decision points that are anticipated? How will you know when and if your initiative is on or off track?

**Performance metrics:** What will you measure to gauge progress on your initiative? How will you utilize these performance metrics to tell if your initiative is on or off track?

**Timeline:** When will the initiative begin and end? At what milestone will you judge if your initial timeline is correct?

### SAMPLE:

Actions	Milestones	Up Front Investments
<ul style="list-style-type: none"> <li>Review and Redefine the Communications Department</li> <li>Hire Professional Communications Director</li> <li>Create platforms to engage members</li> </ul>	<ul style="list-style-type: none"> <li>Communications Audit</li> <li>Communications Director Position filled</li> <li>Build a Multimedia Studio</li> </ul>	<ul style="list-style-type: none"> <li>Directors Salary</li> <li>Equipment Cost</li> </ul>

## IMPLEMENTATION GLOSSARY:

### Dashboard

A performance evaluation tool that provides a high-level overview of the progress of key activities and initiatives towards annual objectives and strategic priorities

### Deliverables

The expected results or outputs from each key activity or strategic initiative

### Initiatives

Major efforts required to make progress toward the strategic goals

### Intended Impact

Specifies the social change you are trying to achieve, for whom, and over what time period

### Interdependencies, Sequential

Processes that rely on the deliverables from one key activity or stage of work before they can proceed

### Interdependencies, Simultaneous

Connections between different key activities and initiatives that require matching resources or concurrent work across different organizational units

### Key Activities

Major tasks to be completed in carrying out an initiative

### Milestones

The major events, accomplishments, deliverables, and decisions within each strategic initiative

### Strategic Goals

Multi-year objectives established and embedded in your strategic plan

### Performance Metrics

Empirical variables selected to provide insight into the results of activities and initiatives

### Work plan

The unique set of key activities, deliverables, and milestones for an individual, program team, or organizational unit



## FIVE BARRIERS TO STRATEGY EXECUTION

Following is a list of common obstacles that impede organizations from executing their strategies:

### 1. LACK OF A DYNAMIC LEARNING ENVIRONMENT

Executing strategy in today's business environment requires a learning mindset, both from individuals and the organization at large. By conducting "lessons learning" (rather than "lessons learned"), we can diagnose and solve problems throughout the entire project life cycle, rather than only at the end.

### 2. PROJECT-BASED WORK LEADERS EXHIBIT NO STRATEGIC LEADERSHIP PRESENCE

Project leaders at all levels should exhibit active listening and leadership skills, in addition to technical expertise. As a leader, being able to communicate the strategy to your team and stakeholders is as important as the tactical work.

### 3. ORGANIZATIONAL STRUCTURES AND PROCESSES ARE INFLEXIBLE, NOT AGILE

Today's business environment is volatile, uncertain, complex, and ambiguous. In a constantly changing setting, our processes need to be dynamic and flexible to match. Even if your company's overall culture is not as quick to adapt, you can still foster an agile mindset within teams and projects by creating a flatter and more efficient process for decision-making and escalation.

### 4. SILOS INHIBIT COMMUNICATION ACROSS THE ORGANIZATION

Many teams are cross-functional by necessity. But even if they're not, intentionally working collaboratively across departments can help break down silos to enable open communication across the organization. Standardizing methods, language, and processes across teams can facilitate more efficient execution on common projects.

### 5. MISALIGNMENT OF PORTFOLIO TO STRATEGY

Projects must be prioritized against the overall strategy. Project leaders and team members should be able to articulate the expected results of a project and how it aligns with the strategy. Without this alignment, resources, time, energy, and effort are wasted on activities that do not contribute to the larger organizational goals.

## STRATEGY IMPLEMENTATION SUMMARY

Successful strategy formulation does not all guarantee successful strategy implementation. Therefore, once the course of strategy has been charted the managers priorities turn to converting the strategic plan into actions and good results.

The implementation process involves an integrated set of choices and activities that are used to allocate resources, organize, assign key managers, set policies, and establish administrative system to reinforce, control, and evaluate a strategy.

# RISK MANAGEMENT

Many decisions and actions by our associations have significant legal and regulatory implications. Therefore, new Directors must understand the importance of risk management, and how their actions could unwittingly cause harm to the Association.

As in Business Operations, fiduciary duties (loyalty, obedience, and care) play a role here as well. So do antitrust and confidentiality policies, as well as conflict of interest policies and human resources policies.

An important component of risk reduction is providing for appropriate insurance coverage for the Association. This includes both the NAR-provided Professional Liability Insurance coverage, which offers coverage only if the association complies with all applicable NAR mandatory policies, as well as obtaining general liability insurance to cover claims that might arise out of ordinary business operations.

## Association Risks

Here are the twelve most common risks facing associations.

1. **IRS Letter of Determination** – Missing, lost from the files, uncertain how to retrieve it when requested.
2. **Corporate Filings** – Late or no annual filing with the state to update directors' names and protect the corporate name.
3. **Sales Tax** – Either selling items and not collecting sales tax, collecting sales tax and not remitting, or qualifying for sales tax exemption but not applying or renewing.
4. **Minutes** – They read more like a newsletter than an official record of a meeting.
5. **Credit Card Reimbursement** – Lack of policy for either staff or leadership in what it may be used for, personal usage, and submission of receipts on a timely basis.
6. **Voting on Members** – Discussions at the board table as to the merits (or faults) of new members.
7. **Benefits Endorsement** – Failure to do due diligence to justify how one vendor program/service is better than another. Maintaining those records as a defense.
8. **Staff Salaries** – Board members asking what the staff makes, discussing it and making suggestions as to staff salaries other than what is indicated in a budget.
9. **Federal Tax Return** – No understanding by front-line staff that a request for a 990 must be fulfilled without question.
10. **Micro Management** – Board involvement in administrative duties, transferring liabilities from the CEO to the board of directors.
11. **Directors and Officers Liability Insurance** – Delaying purchase because of a lack of need or lack of funds.
12. **Annual Audit** – No audit because it's too expensive.

## SOCIAL MEDIA PITFALLS FOR REALTOR® ASSOCIATIONS AND MEMBERS

Social media platforms like blogs and Facebook provide engaging ways to interact with target audiences, but users must know their risks. With well-crafted policies, regular training, and consultation with counsel, associations and members can minimize exposure to liability concerning key risk areas. These include defamation, advertising, intellectual property theft, antitrust violations, Code of Ethics issues, and state regulatory and statutory liability.

### DEFAMATION AND ARTICLE 15

For whatever reason, when people communicate using a keyboard, they become braver and make statements they would never make in person, including statements that may be defamatory. Black's Law Dictionary defines defamation as "A false written or oral statement that damages another's reputation." The nature of the Internet increases the risk of defamation liability: Publishing a defamatory statement is as easy as typing a nasty comment and clicking "post." A statement published online is often out there forever and can be easy to find. All a plaintiff's attorney has to do is search for the defamatory statement, hit "print," and head to the courthouse.

Why is this important to associations and REALTORS®? Increasingly, both host social media platforms where association staff, REALTORS® and the public can post comments. This exposes associations and REALTORS® to defamation liability on several fronts: For comments posted by association staff, the REALTOR® (or firm) hosting his site, and for those by third parties.

An association or REALTOR® firm should assume that comments posted by its employees/independent contractors on its website can result in liability. To mitigate this risk, the organization should have a well-crafted social media policy drafted by an attorney. Social media risk management training should also be provided to all staff annually, and perhaps more frequently to association staff that post regularly. This training should be supplemented with risk-management communications throughout the year.

With respect to defamatory third-party postings on association sites, associations enjoy considerable protection under federal law. Section 230 of the Communications Decency Act affords significant immunity for such postings to interactive online service providers, including blogs and other social media platforms provided by associations. Even with this protection, association staff should remove disparaging comments immediately and include a no-tolerance policy for defamatory statements in the association's online terms of use.

Individual REALTORS® and REALTOR® firms operating social media sites technically enjoy Communications Decency Act protection from defamatory third party postings. However, Article 15 imposes a higher duty on REALTORS® using social media. Article 15, Standard of Practice 15-3 states:

*The obligation to refrain from making false or misleading statements about other real estate professionals, their businesses, and their business practices includes the duty to publish a clarification about or to remove statements made by others on electronic media the REALTOR® controls once the REALTOR® knows the statement is false or misleading. (Adopted 1/10, Amended 1/12).*

This means that REALTORS® and REALTOR® firms have an affirmative obligation to publish clarifications about or remove defamatory comments made by others. Most website hosts do not have this obligation, but REALTORS® have a higher duty.

Please note that recent National Labor Relations Board decisions require social media policies to be narrowly drawn to protect employee speech about the terms and conditions of employment. The NLRB has jurisdiction over all nonsupervisory employees, not just union employees, so it is critical to work with an attorney familiar with this area of the law when drafting a social media policy.

## ADVERTISING

Blogs and other social media platforms are increasingly being used as an advertising vehicle for members. It is important to remember that many states require real estate licensees to include specific disclosures on all advertisements – for example, the firm name; licensee name; city and state of main/branch office; and states of licensure must be included on all online advertising in Virginia. Therefore, it is very important for members to determine what constitutes advertising in their states and what disclosures are required.

REALTORS® should also relook at Article 12 and its Standards of Practice before engaging in online advertising using social media. I have seen many cases where REALTORS® did not keep property information current on their sites (see Standard of Practice 12-8). A more blatant example of a potential violation of Article 12 involved a listing agent using Photoshop to create a paved driveway in the MLS picture, when in reality the driveway was dirt. When asked about the discrepancy by the buyer agent, the listing agent replied that he had “engaged in virtual outdoor staging.” I’m guessing an ethics panel would look unfavorably on that tactic.

## INTELLECTUAL PROPERTY INFRINGEMENT

Social media platforms allow users to post comments, pictures, speeches, music, and videos with ease. This functionality obviously has benefits, but it also creates liability risks: It allows members and staff to publicly share information that does not belong to them and potentially infringe on another's intellectual property rights. Intellectual property can be broadly defined, but it most often refers to copyright, patent, and trademark rights. Examples of intellectual property that can be protected include articles, books, photographs, speeches, software code, and music (copyright); a new machine (patent); and an association logo (trademark). Registration of copyrighted works is not necessary to confer ownership, so the

lack of a copyright mark does not mean that material found on the Internet is unprotected and can be used freely.

Associations and members must take steps to prevent intellectual property infringement on their social media sites. Internally, they should have a social media policy that clearly outlines do's and don'ts. Posting material the association or member does not own without permission should be high on the list of don'ts. Associations and members should frequently train employees/independent contractors on social media policies and intellectual property issues generally.

To reduce liability risk for content posted by third parties, associations and members should prominently display their terms of use on their websites, clearly explaining takedown procedures for infringing material, describing consequences for infringement, and providing contact information so that a user may notify the association or member of a possible infringement. Ideally, users should be required to click a box acknowledging that they agree to the terms of use when they log on to an association social media platform. Some courts have required this level of agreement before the terms are binding on users.

A safe-harbor provision in the Digital Millennium Copyright Act, which includes elements discussed above, provides substantial protection for associations and members against copyright infringements by third parties. Associations should consult their attorneys about properly utilizing such protections.

## ANTITRUST VIOLATIONS

Associations are especially vulnerable to antitrust liability because they constitute a group of competitors that cooperate for some purpose. Typically, this cooperation is meant to advance the industry generally, and most of this activity complies with the law. However, activity that attempts to interfere with competition is a potential violation of antitrust law—including, for example, price fixing, anticompetitive membership restrictions, and improper standard-setting or certification conduct. Violations can carry severe penalties, both civil and criminal.

A violation can be inferred from an actual or informal agreement to restrain trade. For example, imagine a membership meeting in which a member stands up and suggests that all members should charge a certain commission. If members later start setting the same price for their commissions, it is possible that an antitrust violation may have occurred.

Associations must monitor their social media sites for antitrust red flags. For example, a member might post a comment on an association blog suggesting that all members refrain from doing business with a certain company. Even if no one agrees publicly, staff should encourage users of the site to (in antitrust parlance) "loudly dissociate" from the comment, stating their disagreement and saying they want no part of a boycotting conspiracy. The anticompetitive post should also be deleted as soon as possible.

Other protective measures associations should implement:

- The association should have an antitrust policy.
- The policy should be linked or displayed on all association sites.
- Staff and volunteers should be trained on antitrust law, especially those responsible for monitoring social media platforms.

## CONCLUSION

Social media platforms are useful tools for associations and members in their practices, but they can create significant legal problems. Associations and members should work with counsel to establish a social media policy, terms of use, and other policies for staff, volunteers, and members to minimize the liability risk.

# COLLABORATION, CHAPTERS & MERGERS

## 1. COLLABORATION/SHARED SERVICES

Shared services programs help REALTOR® associations expand services and streamline management through strategic partnerships. Shared services is not about mergers—it's about collaborations, partnerships, and other mutually beneficial relationships among REALTOR® associations that enhance the level of service to all members and increase the association's efficiency and productivity.

### Q. WHAT'S THE SHARED SERVICES CONCEPT?

A. Shared services can help REALTOR® associations expand services and streamline management through strategic partnerships. Shared services is a move toward an environment of collaboration among associations, so that no one association feels overwhelmed by today's pace of change and the ever-increasing expectations and demands of REALTOR® association management.

### Q. IS THIS ANOTHER PUSH FOR LOCAL ASSOCIATION MERGERS?

A. Shared services is not about mergers – it's about collaborations, partnerships, and other mutually beneficial relationships among REALTOR® associations that enhance the level of service to all members and increase the association's efficiency and productivity.

### Q. WHO CAN SHARE SERVICES?

A. Any size association can benefit from shared services that leverage the talents of one association and staff to better optimize services to other associations. Partnerships can build greater efficiencies between state associations, state and local associations, and local associations among themselves, and all can partner with the national association.

### Q. CAN WE SHARE SERVICES WITH OTHER ORGANIZATIONS?

A. Yes.

### Q. How does this impact associations' jurisdictions?

A. There are no association jurisdictional barriers to sharing services.

### Q. What is the benefit?

A. Shared services can save associations the time and cost of duplicating services that other associations have already developed. By pooling resources to develop programs, association executives' workloads are lessened, staff responsibilities are reduced, and potential new revenue streams are created. Associations in mutually beneficial partnerships make the REALTOR® organization as a whole stronger, more efficient, and more effective.

## 2. CHAPTER FORMATION

With implementation of the Organizational Alignment Core Standards program, some local associations that are considering a merger may choose a “chapter” structure to preserve their identity. NAR does not charter chapters, nor is there any defined chapter structure within the REALTOR® organization. However, through the years some associations have surrendered their charter to merge into another association, with the resulting association creating a community-based chapter that allows the former association to retain a local presence and a measure of local identity. An association can also establish chapters without being in a merger. The resulting structure typically offers greater efficiencies and economies of scale.

### WHAT IS A CHAPTER?

A chapter is a subunit of an existing, chartered local association of REALTORS®, with that association of REALTORS® being the only chartered (or recognized) entity. A chapter may be an affiliated organization with its own governance and purpose, but whose interests are aligned to some degree with NAR's objectives. A chapter may also be a subunit of a state association, but the geographic area formerly held by that chapter would be unassigned.

### HOW ARE THE PRIVILEGES AND RESPONSIBILITIES OF A CHAPTER DETERMINED?

The structure, as well as the privileges and responsibilities (if any) of a chapter are determined locally (presumably as part of the merger discussions/negotiations). They should be spelled out with specificity in the "parent" association's bylaws or other governing documents. Use of the term REALTOR® in a chapter's name must be in connection with the parent organization (e.g. the XYZ Chapter of the ABC Association of REALTORS®).

## ORGANIZATIONAL FACTORS WHEN ESTABLISHING A CHAPTER

ADDRESS THESE ORGANIZATIONAL AND OPERATIONAL FACTORS WHEN ESTABLISHING A CHAPTER.

### Who makes the decision to become a chapter?

- The decision should be made prior to a merger, as part of the merger discussions/negotiations.
- An association can establish chapters even when a merger is not involved.
- Chapters may be established by geographic areas and by types of members/specialties (commercial, green, designations, etc.).
- An association can create chapters to serve members in locations within the association's jurisdiction.

### What will each chapter's relationship be with the parent association?

- A chapter is subgroup of its parent association. The chapter is not a separate legal entity.



- After a merger and/or establishment of chapters, the association's Errors & Omissions Insurance should be evaluated as well as any liability or other insurance policies to make certain coverages are complete and inclusive

#### Will members join the chapter or the parent association?

- Members join the parent association.
- Members might join a chapter due to their locality, former association, or for other reasons.
- Members participate in more than one chapter of the same association.

#### How can a chapter create its own brand?

- Chapters should have a standard name template (i.e. XYZ Chapter of the ABC Association of REALTORS®).
- Chapters may, at the discretion of the parent association, have their own banner and local marketing plan.

Will the chapter have representation on the association's board of directors?

- This is a matter of local determination.
- There is no "one size fits all".
- Bylaws may need to be amended to address how directors are selected, elected, or appointed, etc., in regard to chapter representation.
- Whether "chapter directors" are voting members is a matter of local determination.
- Chapters might appoint or elect representatives to an advisory board which might have one or more voting members on the association's board of directors.
- Consider creating a representation plan to ensure consistency in the event multiple chapters are formed.

#### Should chapter leadership get state or national director appointments?

- Selection/election of state and national directors is determined locally.

Are chapters required to comply with the Core Standards?

- Local and state associations are required to comply with Core Standards.

Can state associations consider chapters to support members whose association has dissolved or for members too far from a local association?

- Chapters of a state association are a matter of determination for each state based on geographical and/or other considerations.

#### Will the dues and budgets be different for each chapter?

- Dues for REALTOR® membership in the parent association are the same. Whether a chapter has dues for chapter membership is a matter of local discretion. This should be discussed and decided during any chapter formation discussions/negotiations.
- Chapters may have budgets for things such as operational expenses, travel to state meetings, etc.

What kind of staff support will be required?

- The staffing required for a chapter will depend on a number of factors including, but not limited to, number of members, geographic areas served, activities, etc.
- Staff support should be discussed as part of any chapter formation and/or merger negotiations.
- Staff of a dissolved association may still have a role in the new organization.

Should the chapter and parent association share the same membership system?

- Yes.

Where will the chapter office and/or staff be located in relation to the parent association?

- While a separate chapter office isn't required, the chapter office could be virtual, a separate structure, or a shared office (within an office of the parent association).

What happens to a dissolved association's contracts once it becomes a chapter of the parent association?

- Contracts may be terminated or continued by the parent organization, in consultation with legal counsel. Contracts may also be re-negotiated.

Will the chapter abide by the same legal and accounting principles as the parent association?

- Yes.

Which entity should own the assets of the chapter?

- Assets become the property of the parent association.
- Assets may be assigned to a chapter similar to how an association might assign equipment or other assets to a department or to a separate association service center.

NOTE: In some instances, "council" and "committee" are used in lieu of "chapter."

## 2. MERGERS

### WHY CONSIDER MERGING?

Major changes are occurring in the real estate industry. The industry tends to be less localized and the number of multi-office firms and corporations is increasing. REALTORS® serve larger markets than ever before and are increasingly seeking economies of scale in all facets of their business. This has prompted many associations to investigate the possibility of merging with one or more neighboring associations. In essence, the purpose of an association merger is to join association resources in order to create a larger, stronger organization. Because the individual association's fundamental mission (to provide services and promote the common interests of all its Members) is identical to the association(s) with which it intends to join, the merger will serve only to reaffirm and expand upon those principles and ideals. Some of the potential benefits of an association merger include: Increase the association's appeal to area Members, who in some cases would no longer be required to pay multiple association dues and service fees. Reduce the association's direct costs (e.g., office buildings, staff salaries,

duplicate services such as MLS, etc.) Enhance the services provided to Members including additional educational offerings, more efficient and effective professional standards enforcement, and improved MLS systems (in some cases, resulting in a reduction of MLS fees). Increase the operating income for the association which may result in the hiring of a staff person to manage association operations and provide continuity from year to year. A stronger association can better sustain market fluctuations and can better cope with rising costs of operations. One larger, stronger association provides the opportunity for wider recognition within the community and organized real estate.

# NAR CORE COMPLIANCE

Every local and state association of REALTORS® shall annually demonstrate compliance with the following Core Standards. As used in this policy “state association” and “state association of REALTORS®” includes the territorial associations of REALTORS®.

The Fifth Compliance Cycle began January 1, 2019, through December 31, 2019.

## I. CODE OF ETHICS

A. Every association will provide new and continuing member Code of Ethics training as required by Article IV of the NAR Bylaws.

B. Every association will maintain a viable professional standard process to enforce the Code of Ethics and provide arbitration and mediation as member services. Associations must have a fully functioning professional standards committee with administrative capability to conduct the program, or must administer professional standards enforcement through a multi-board (or regional) professional standards agreement with other associations or with the state association.

C. Every association will provide mediation services to members as required by Article IV of the NAR Bylaws. Associations must also offer ombudsman services to members and their clients and customers and may implement a "citation" enforcement policy.

## II. Advocacy

A. Unless prohibited by state law and in recognition of state law differences, each association shall include in their dues billing a voluntary contribution for the PAC or the Political Advocacy Fund (PAF) in an amount adequate to meet any NAR established RPAC fundraising goals. Dues billing for PAC or PAF contributions has been proven to be the most effective method for raising PAC or PAF dollars and in engaging our members in political advocacy\*. A local association will have met this Mandatory Core Standard, regardless of whether they collect the full amount of their NAR established goal, if they include the voluntary contribution on their dues bill.

Notwithstanding the above, a local association that chooses not to include a PAC or PAF contribution on their dues bills, may, in the alternative, meet this Mandatory Core Standard if they deliver to NAR the full amount of any NAR established RPAC goal contributed by whatever legal means determined to be in the best interest of the local association (i.e., a corporate contribution in the full amount of the NAR established goal). In whatever manner the NAR established RPAC goal is met, funds shall be sent to RPAC or the PAF individually or collectively by/through the State Association (i.e., one check concept). The intent of this

B. standard is to provide the best opportunity for every association to meet its goal.

*\*Unless prohibited by state law, it is recommended that to reach the highest participation levels possible, each local association include the contribution to either the PAC or the PAF "above the line" with appropriate disclaimers about the voluntary nature of the member contribution.*

B. Each association shall provide or distribute information and communications from NAR and the applicable state association, regarding the value of investing in and the benefits received from the individual's participation in the PAC.

C. Each association shall demonstrate participation in NAR Calls for Action (e.g., promotion through websites, newsletters, office visits, etc.). It is the state and local association's obligation to provide adequate proof of participation. NAR shall monitor state association participation primarily through the REALTOR® Party Response Reports. If there are signs of insufficient participation, NAR shall investigate and encourage compliance. The state associations shall monitor local association participation primarily through the REALTOR® Party Response Reports. If there are signs of insufficient participation, the state association shall investigate and encourage compliance.

D. Each local association shall demonstrate participation (if applicable) in State Calls for Action (e.g., promotion through websites, newsletters, office visits, etc.). It is the local association's obligation to provide adequate proof of participation.

E. In addition to the requirements established in subsections A-D, each association must support the REALTOR® Party's "Vote-Act-Invest" goals, and must annually conduct at least two initiatives or activities furthering or supporting each of those three goals respectively. Commercial Overlay Boards must conduct at least one Vote and Act initiative and two Invest initiatives annually. Examples of initiatives and activities satisfying this requirement are available on NAR's online Compliance Tool and in the Core Standards Frequently Asked Questions ("FAQs") and in the REALTOR® Party Resource Guide.

### III. CONSUMER OUTREACH

A. Every association will demonstrate engagement in at least four meaningful consumer engagement activities annually, including at least two activities demonstrating how the association is the "Voice for Real Estate" in its market, and at least two activities demonstrating the association's involvement and/or investment in the community.

A. Being the "Voice for Real Estate" -- promoting market statistics and/or real estate trends and issues (e.g., release through press releases, interviews, etc. of MLS statistics, local market statistics, NAR research reports, local/state analysis of NAR statistics, etc.)

B. Community involvement and investment -- promoting the value

proposition of using a REALTOR® and/or engaging in community activities which enhance the image of the REALTOR®, such as organizing human resources (e.g., participating in a Habitat for Humanity build) or conducting fundraising activities to benefit local community or charitable organizations.

To meet these four activities per year requirement, each association must execute a minimum of two "Being the 'Voice for Real Estate' " activities and two "Community involvement and investment" activities during the year. It will not be enough, for example, for an association to engage in the same activity 4 times each year nor will financial support of a charitable organization alone be considered to have met this Mandatory Core Standard. Additionally, any one activity can only be quantified in one category.

#### IV. UNIFICATION EFFORTS AND SUPPORT OF THE REALTOR® ORGANIZATION

Every association will maintain, have access to or will have legal counsel available.

Associations shall adopt and maintain corporate documents, policies and procedures that conform to local, state and federal laws. Associations will timely file legally required reports and documents (e.g., corporate renewal documents, state and federal tax returns, etc.).

Every association shall annually certify that its board of directors has reviewed and discussed the association's business or strategic plan, that the plan includes an advocacy component and a consumer outreach component, and that those components have actionable implementation strategies.

Local and state association chief staff must complete at least six hours of REALTOR® association professional development on an annual basis. In associations without paid/salaried staff, this requirement is applicable to the individual primarily responsible for performing the functions ordinarily carried out by paid staff in other associations.

Each state individually or in cooperation with another state association must annually provide at least six hours of professional development opportunities for local association executives.

Associations will promote to their members the importance of participating in any NAR–conducted effort to assess member understanding of the overall value provided by associations at all three levels of the REALTOR® organization.

Licensees in limited function referral organizations (LFRO) shall be identified by the local and/or state associations for the purpose of inviting their participation in political advocacy (e.g., PAF and Calls for Action).

To ensure proper dues reporting and collection, every state association will provide to each local association a comparative list of non–member licensees to the state membership records, at least semi-annually.

Associations must annually offer, promote, or provide at least one professional development opportunity for their members.

Associations must annually certify they have conducted or promoted a REALTOR® Safety activity.

Associations will annually provide resources for or access to leadership development education and/or training for their elected REALTOR® leaders, and will document the training, tools, programs, and resources they offer or provide access to.

Associations with paid staff must adopt policies and procedures for conducting annual performance reviews of their chief paid staff, and must annually certify that a performance review for their chief paid staff has been conducted.

## V. TECHNOLOGY

Every association must have an interactive website (defined as the ability to move between websites and create active links), post access to professional standards and arbitration filing processes on the website and create a link to the websites of the other levels of the association for promotion of member programs, products and services.

Every association must utilize an email and/or internet-based means for member communication.

## VI. FINANCIAL SOLVENCY

Every association must adopt policies to ensure the fiscal integrity of their financial operations.

All associations, state or local, with revenue of \$50,000 or more must annually submit a report from a CPA which includes either an audit opinion or an accountant's review report. For those associations with annual revenues of less than \$50,000 (including MLS-generated revenue and revenue from other business subsidiaries), a compilation report prepared by a CPA will be acceptable. These thresholds apply to all associations whether tax exempt or for profit. It will be left to the discretion of each association as to the frequency of an audit versus a review, recognizing that the costs of each type of engagement vary greatly.

Any association considering bankruptcy must first obtain NAR's consent to file for bankruptcy. To the extent permitted by law, any association that declares bankruptcy will be subject to automatic charter review.

# REFERENCES

ASAE [www.asaecenter.org](http://www.asaecenter.org)

Florida Realtors® [www.floridarealtors.org](http://www.floridarealtors.org) (login required)

Great Boards [www.cacnc.org](http://www.cacnc.org)

Jeremy Barlow, Board Effect [www.boardeffect.com](http://www.boardeffect.com)

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