



# POLICIES & PROCEDURES GUIDE



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## Policy Manual

Scottsdale REALTORS®

8600 E. Anderson Drive, Suite 200, Scottsdale, AZ 85255

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# **SCOTTSDALE REALTORS® - POLICY MANUAL**

## **1. PURPOSE**

The purpose of the Scottsdale Area Association of REALTORS® (Scottsdale REALTORS®) Policy & Procedures Manual (the “Manual”) is to supplement the Association’s Bylaws in governing the Association and in guiding Officers, Directors, Members and Staff in implementing the strategic objectives of the Association. This Manual may be amended by a majority vote of the Board of Directors.

### **1.1 ORGANIZATION**

Scottsdale REALTORS® was chartered as a local association of the National Association of Realtors® (“NAR”) in 1963. Scottsdale REALTORS® is a not-for-profit organization with a 501 (c)(6) Internal Revenue Service Code.

### **1.2 SERVICES**

Scottsdale REALTORS® offers a variety of services to its Members including educational opportunities, special events, forums, symposiums, market statistics, legislative reviews, issues lobbying, local government advocacy, community engagement, resources/tools, and lockbox services. Scottsdale REALTORS® owns and operates Venue 8600 an event center and office suite commercial building. The Board of Directors may authorize additional services to meet the changing needs of its Members.

### **1.3 MISSION & VISION**

Scottsdale REALTORS® Mission is set forth in the Strategic Plan, which is to be reviewed and/or updated annually as per the NAR Core Standards requirement. Current Mission and Vision are as follows:

**Mission:** Scottsdale REALTORS® is dedicated to the development and success of career-minded members who embody the highest Standards of Practice.

**Vision:** Scottsdale REALTORS® is the foremost real estate advocate and resource serving the interests of its members and local community.

### **1.4 PHILOSOPHY ON ROLES & RESPONSIBILITIES**

The volunteer leaders determine the direction of the Association, identify the Association’s goals and measure the achievement of those goals. The Association’s Chief Executive Officer (“CEO”) and employees (“Employees” or “Staff”) identify,

develop and implement the means and strategies by which those goals are accomplished.

The membership of the Association elects the Scottsdale REALTORS® Board of Directors (collectively, the “Board”; individually, the “Director(s)”) to oversee the affairs of the Association. As part of its fiduciary duty, it is the responsibility of the Board to assist in the development of the Strategic Plan; promulgate and monitor progress toward the organization’s objectives with adherence to the Bylaws, this Manual, and the Strategic Plan; and to create policies to serve and protect the Members of the Association.

The Board takes a strategic approach to decision-making to benefit Scottsdale REALTORS® members and the industry. The Board provides strategic direction to the CEO and ensures that the CEO follows the Association’s governing documents and executes the Strategic Plan. The Board oversees the CEO, annually provides a written evaluation ensuring the implementation of the Strategic Plan and adherence to his/her written job responsibilities.

The CEO is responsible for recommending professional service providers such as certified public accounting professionals and legal counsel to the Board as needed. Only the President, President-Elect and CEO or their designee is authorized to contact the Association attorney on official business of the Association. Billings for unauthorized contacts will be the responsibility of the contacting party.

No member, or group of members, shall be permitted to obligate the Association for legal fees or litigation costs in which individual members of the Association are involved. No member of the Association shall seek legal information from the Officers, Directors or staff of the Association; whenever an Association member requires legal advice, he/she shall consult an attorney. If a member requests legal advice from the Association’s attorney, he/she shall do so with the understanding he/she is seeking such information as an individual and is obligated to pay any legal charges for such services.

The CEO is responsible for the management of the operations of the Association. All Staff report to the CEO. The CEO has the authority to hire, train, evaluate, compensate, discipline and terminate Staff within the funding appropriated by the Board. The CEO leads the Staff’s efforts to provide member services; to develop and implement programs designed to fulfill the mission set forth in the Strategic Plan. The CEO is ultimately accountable for the actions and performance of the Staff. The Association shall have an Employee Handbook which may be updated and

amended from time to time by the CEO or a senior staff member designated by the CEO with the advice of Counsel and includes detailed information concerning employee duties, rights and responsibilities.

The CEO and Staff work with the Association's committees, task forces, advisory groups, forums and advisory teams ("Committees"), comprised of Member volunteers, to make recommendations for programs, services and/or actions in harmony with the approved Strategic Plan. Any activities or programs outside of the scope of the Strategic Plan must be approved by the Board of Directors. In addition, any changes to the Strategic Plan, policy or out of budget appropriations must be approved by the Board of Directors.

Scottsdale REALTORS® is a signatory to the AAR Statewide Professional Standards Agreement, under which all inquiries pertaining to Ethics Complaints, Arbitration Request, and Mediation will be referred to Arizona REALTORS®.

## **2. OPERATIONAL POLICIES**

Scottsdale REALTORS® adopts, supports, and enforces the membership policies of NAR to the extent the NAR policies are consistent with the Association's Bylaws and this Manual.

### **2.1 GOVERNANCE**

The Association is governed by:

- A. A Board of Directors as described in Article XI of the Scottsdale REALTORS® Bylaws ("Bylaws") as they may be amended from time to time;
- B. The rules and regulations for local associations as promulgated by NAR and the Arizona REALTORS®, including, in its entirety, the NAR *Code of Ethics and Arbitration Manual*,
- C. Arizona State Statute as it relates to nonstock corporations.

### **2.2 GENERAL GOVERNANCE DEFINITIONS**

Scottsdale REALTORS® governing body is the Board. Article XI of the Bylaws defines, among other things, the composition and duties of the Board, the Officers of the Board, the manner of nomination and election to the Board and all general governance matters. The role of the Board and its Officers, as set out in this Manual, is secondary to and governed by the rules set forth in the Bylaws. Any discrepancy between this Manual and the Bylaws is resolved in favor of the Bylaws.

### **2.3 MEETINGS OF THE BOARD OF DIRECTORS**

A. There shall be at least ten (10) regularly scheduled meetings of the Board per calendar year, but no more than one (1) regularly scheduled meeting per calendar month.

B. The CEO and incoming President shall designate a regular time and place of meetings no later than December of each year for the upcoming calendar year. The schedule of meetings shall be published and distributed to Members prominently through the Association's website. As per the Scottsdale REALTORS® bylaws special meetings can be called by the President, President-elect or CEO with 7-day notice or with a waiver of deficient notice by the Leadership Team. A special meeting of the Board of Directors may also be held when requested by at least 25% of Scottsdale REALTORS® members.

C. The President upon consulting with the CEO, in his/her sole discretion, or upon the request of a majority of Directors, may cancel any meeting (regular or special) of the Board for any of the following reasons: (i) no quorum will be present at the meeting; (ii) insufficient agenda to warrant a meeting or (iii) any other valid reason that makes having the meeting in question impractical. The President upon consulting with the CEO may, in his/her sole discretion, determine when a cancelled meeting will be or should not be rescheduled. Notice of rescheduled meetings shall be given to Directors in accordance with the minimum notice period set forth in the Bylaws. In the event the meeting is rescheduled, the schedule of meetings published on the Association's website shall be promptly revised to reflect the new date, time and/or location.

D. The CEO shall provide the proposed agenda to the President no later than eight (8) days prior to any regularly scheduled meeting of the Board and shall respond with any changes within 24 hours. Unless no response is made, the President shall have the final approval authority for the Agenda of each Board meeting. The CEO, after consultation with the President, shall then distribute the approved Agenda to the full Board at least seven (7) days prior to the meeting. Any subsequent changes to the agenda shall be immediately noticed and delivered to the Board, including the purpose of the change and the financial impact, if any, and in no event less than forty-eight (48) hours before the Meeting.

E. Meetings of the Board shall be chaired by the President and conducted in accordance with the Bylaws, *Robert's Rules of Order* and this Manual. At the start of each meeting, each Director and any other Association Member present shall review the antitrust statement provided in section 2.8 of this manual.



F. Meetings of the Board are open to Scottsdale REALTORS® Members in good standing who wish to listen and observe proceedings, as well as guests invited by the President (“Guests”). Members shall contact the President or the CEO to report their intent to attend the meeting no less than twenty-four (24) hours in advance of the meeting. Standing during the Board meeting shall not be permitted. Members and Guests shall not disturb the meeting by whispering, demonstrative behavior, walking around the room or speaking without permission. While Members and Guests may not introduce new topics or speak spontaneously during the general business portion of the meeting, they may be permitted to speak if time permits and if called upon by the President in the President’s sole discretion.

G. Audio recording, video recording, and live posting on social media by any guest during meetings are strictly prohibited.

H. Guests who do not comply with the rules of order or decorum may be denied the opportunity to speak, removed from the meeting and/or prohibited from attending future meetings by the President in the President’s sole discretion.

I. The President may include an executive session on any Board meeting agenda, and the Board may by majority vote go into executive session at any meeting of the Board to discuss sensitive and confidential items of business (“Executive Session”) including, but not limited to, the following topics: matters involving personnel, communications with counsel, pending litigation, cases involving the enforcement of Association rules and governing documents, matters of legal sensitivity, contract negotiations, disciplinary matters, legislative strategy and other subjects deemed by the Board of Directors to be of a confidential and/or sensitive nature proper for closed discussion and deliberation.

“Cases involving the enforcement of Association rules and governing documents” and “disciplinary matters” include but are not limited to alleged violations of the Association’s Bylaws, Policies & Procedures, the National Association of REALTORS® *Code of Ethics*, and any applicable state or federal law. Any deliberations during Executive Session shall remain confidential.

J. The President or a majority of the Board of Directors may exclude anyone who is not a Director from Executive Session. Directors shall be excluded from Executive Sessions where a clear conflict of interest exists. The President or the Board shall not exclude the CEO from Executive Session except as provided for in the CEO contract.

K. As per the bylaws, Board members who miss 3 meetings in an election year will be automatically removed as a Board member. A Director who participates remotely for a regular meeting will not be counted as absent provided they notify the CEO seven (7) days prior to the meeting and the number of remotely attended meetings does not exceed 2 times in their elected year. At the discretion of the President, any regularly scheduled or specially called meeting can be changed from live to remote for all attendees.

L. Electronic Transaction of Business is permitted at the direction of the President or CEO when a decision needs to be made that cannot be delayed until the regular meeting of the Board of Directors. In the event such vote is necessary, unanimous approval of all members of the Board of Directors shall be required for adoption of a motion.

M. Votes taken electronically between meetings shall be reflected in the minutes of the next meeting of the Board.

N. The Board shall always comply with the Scottsdale REALTORS® Antitrust Policy, including during Board meetings, Scottsdale REALTORS® sponsored events or informal gatherings.

## **2.4 ELECTIONS OF THE BOARD OF DIRECTORS**

### **2.4.A Election Procedures - Directors**

Pursuant to the Bylaws Article XI, Section 6, in the instance of all Director-at-large positions, elections shall be by electronic ballot. The names of the candidate will be randomized and members must vote for at least two candidates for their vote to be counted.

No later than the April Board meeting the CEO will provide the President Elect with the criteria for the Nominating Committee and ask that the President make their committee recommendation for approval by the Board at the May Board of Directors meeting. As per the bylaws the committee composition is as follows: seven (7) consisting of one (1) Scottsdale REALTORS®' Past President, the current President Elect and President, two (2) sitting Board members with un-expiring terms who will remove themselves from consideration as an officer for the upcoming year and two (2) additional REALTOR® members not currently serving on the Board.

The CEO will provide the election procedures to the Board of Directors no later than the April Board meeting.

Once approved the Nominating Committee will hold their first meeting in June prior to elections. The Nominating Committee shall distribute to all members an election announcement stating the number of vacancies to be filled and information on making application at least ninety (90) days prior to the election.

The Nominating Committee shall select one (1) or more candidates for the offices to be filled on the Board of Directors. The report of the nominating committee shall be electronically transmitted to each member eligible to vote at least forty-five (45) days prior to the election. Additional candidates for the offices to be filled may be placed in nomination by petition signed by at least five (5) percent of the membership eligible to vote. The petition shall be filed with the CEO at least thirty (30) days prior to the election. The CEO shall send such notice of such additional nominations to all members eligible to vote before the election. Members interested in filing a petition can contact the COE for the calculation of signatures and the appropriate form to be used.

Information about all candidates whose names will appear on the ballot will be noticed to those eligible to vote electronically in advance of the election and made available during electronic voting.

The names of all candidates will appear in alphabetical order on any notices but will be randomized during the electronic voting process.

The election of Directors will take place during the first 2 weeks of October. The terms of the newly-elected Officers and Directors will commence on December 1<sup>st</sup>.

All Designated REALTOR®, REALTOR®, Affiliate, and Appraiser Members who have paid all current dues and other indebtedness will be eligible to vote.

Election results will be reported to the Board of Directors on a prepared form containing the Candidates' names and number of votes each received, signed by the staff member pulling the report and witnessed by the President, a Past President (who will be appointed by the President Elect), and the CEO. In case of a tie vote, lot will be drawn at a special Directors' meeting held for the purpose of certifying the election results, and the current President will draw the name.

Results will remain confidential until such time as the President Elect has contacted all candidates.

The election results will be noticed to the members in a timely manner.

#### **2.4.B Election Procedures - Officers**

As per the Bylaws Article XI, Section 6 interested candidates for officer positions will notify the CEO and President Elect via email at least 30 days prior to the June Board

of Directors meeting. Candidates can only submit for a single position. The CEO will confirm eligibility and announce all candidates for officer positions to the Board prior to election which will take place at the June meeting.

The following procedure is the current policy for the election of officers:

1. Candidates who were properly noticed as per the bylaws Article XI – Section 6 (l) will be eligible for election at the June Board of Directors Meeting
2. As per the bylaws a majority of the members of the Board of Directors (7) will constitute a quorum.
3. Candidates will provide a resume and related support materials 7 days in advance to the CEO to be distributed to the Board of Directors.
4. In-person meeting participation, telephone conferencing and video conferencing are acceptable participation means. Proxies and mail ballots are not acceptable. Board members participating remotely will cast their ballots via text message to the President and CEO when directed. These votes will not be counted until after the paper ballots have been cast and collected.
5. The election will begin with the office of President Elect, followed by Vice President and then Treasurer. All candidates will be asked to leave the Board Room or the remote access room during candidate interviews for the office in which they are running.
6. Each candidate will be interviewed by the Board prior to the election with identical prepared questions.
7. After the interview(s), the Board of Directors will hold open discussion and vote by ballot. If any candidate receives a majority vote they have won the election. If no candidate receives a majority vote there will be a runoff between the 2 candidates with the highest vote count. The candidates not receiving the 2 highest vote counts will be permitted to vote in the runoff election.
8. Votes are by written ballot. Blank ballots are ‘wasted’ and not counted. Ballots with incorrect name spelling are acceptable, if the name can be determined by the President and CEO, otherwise the ballot is ‘wasted’.

## **2.5 DUTIES & RESPONSIBILITIES OF OFFICERS**

A. The Officers of the Association shall be the President of the Board, President-Elect, Vice President, Treasurer. The Leadership Team is comprised of the Officers and the Immediate Past President. Unless otherwise specified below, the duties of the Officers shall be such as their titles, by general usage, would indicate and as such may be assigned to them by the Bylaws and as required by law. The Leadership Team may meet at the Direction of the President and/or CEO but has no authority other than those granted by the Board of Directors as needed.

B. Officers are also bound by the duties and responsibilities for all Directors as further described in Section 2.6.

## **2.6 DUTIES & RESPONSIBILITIES OF DIRECTORS**

A. Generally, Officers and Directors have a fiduciary duty to the Association, including but not limited to, duties of care and loyalty.

B. Duty of Care: Directors must exercise ordinary and reasonable care in performing their duties. The duty of care requires that the Director: be reasonably informed, participate in decisions, and do so in good faith exercising the care of an ordinary person under the circumstances. In practice, this means reviewing all materials provided to the Board prior to a meeting or a vote. If sufficient information to make an informed decision is not provided to the Board prior to a vote, the Director may request additional information and time to review the information before casting a vote.

C. Duty of Loyalty: Directors must exercise their powers in the best interests of the Association and not in their own interest or the interest of another entity or person. This duty encompasses and relates to conflicts of interest, corporate opportunity and confidentiality.

D. The Board has a fiduciary responsibility to promote the best interests of the Association. The Board shall develop and consistently apply criteria for selecting outside consultants from a pool of competitive bids and shall seek whenever possible no less than three (3) proposals from outside consultants that are engaged directly by the Board. Prior to engaging an outside consultant, the Board shall define clear parameters for the consultant's work and involvement in Scottsdale REALTORS® activity. The Board shall define a clear conclusion to the consultant's work for the Association and provide oversight of the consultant's services to ensure conformance with the scope of work authorized by the Board according to the terms of the contract, as well as the Bylaws and this Manual.

E. The Board shall not delegate its duties and authority, including but not limited to interviewing, screening and selection of outside consultants engaged by the Board, to any other Officer or Officers, Board Committee or other subset of the Board of Directors. If the Board wishes to engage outside consultants they may delegate to the CEO the authority to research, request proposals and screen prospective outside consultants, but no Officer, or Officers, Board Members, or Board Committee may make a decision that is binding upon the Association without the Board's prior vote and approval of such decision. The Board shall include the CEO in the interviewing,

screening and selection process of any outside consultants unless a clear conflict of interest exists. See Conflict of Interest Policy.

F. Directors' duties shall include, but are not limited to:

- 1) Approving the Association's annual budget;
- 2) Adopting the Association's legislative package;
- 3) Electing Officers of the Association;
- 4) Updating and modifying the Association's Strategic Plan;
- 5) Recommending amendments to the Association's Bylaws;
- 6) Hiring the Association's CEO;
- 7) Approving, modifying or amending the content of this Manual;
- 8) Considering the recommendations made by Members of the Association including Committees or other groups; and
- 9) Serving on Task Forces or any other duties as requested by the President.

G. Directors shall have access to information and resources designed to help carry out their responsibilities to the Association. Any requests for additional information by Directors shall be made through the President. If the request for additional information is approved by the President after consultation with the CEO, the CEO shall provide within seven (7) calendar days: 1) the additional information; or 2) a written explanation as to why the information cannot be reasonably provided in the expected timeframe.

H. Scottsdale REALTORS® shall indemnify Directors, Officers, Committee Members and Staff in accordance with Article XXI, Section 2 of the Bylaws.

I. Scottsdale REALTORS® shall provide Directors with an annual Director orientation before the first regularly scheduled meeting of the Board. The Director orientation shall include a training session on the Association's governing documents and financial statements, as well as Director fiduciary duties and responsibilities including, but not limited to, Duties of Care, Loyalty, Conflicts of Interest, and Confidentiality.

## **2.7 STANDING RULES FOR GENERAL & SPECIAL MEMBERSHIP MEETINGS**

General and special meetings of the Membership of Scottsdale REALTORS® will be held on such date and at such place and hour as may be designated by the President, Board of Directors or upon the written request of at least 25 percent of Scottsdale REALTORS® Members. Any such request will contain a statement of the purpose of the meeting.

Notice of any such meeting will be given at least ten (10) days before the meeting. A quorum for the transaction of business at any such meeting will consist of those REALTOR® Members in good standing present. Approval of any matter at any such meeting will require a two-thirds vote of those present and voting, in person or by proxy.

Meeting agendas shall be prepared by the President and/or President-Elect and the CEO and included with the notice of the meeting.

## **2.8 ANTITRUST**

Members and Staff shall comply with all federal and state antitrust laws. Meetings will follow a formal, pre-approved agenda for the purpose of conducting the business of Scottsdale REALTORS®. Accordingly, discussion of any matters relating to competition among Members or relating to practices that may restrain trade with third parties is not permitted. These prohibited subjects include joint attempts to control or affect prices, business models, market conditions, marketing practices, customer choice, etc.

### **2.8.A Company Policies**

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

### **2.8.B REALTOR® Association Membership**

Membership in Scottsdale REALTORS® is open to any individual or entity meeting the membership qualifications set forth in the Association Bylaws. No Member shall urge on the leadership or membership of Scottsdale REALTORS® or on any competitor that membership in any REALTOR® association be limited to companies practicing particular business models, or that membership be denied to companies or Members practicing business models with which the Member is in competition or

with which the Member is unfamiliar or uncomfortable. Members shall take no action to influence the business conduct of customers or other Members towards such competitors.

### **2.8.C Availability of Information**

As a service to Members and to the public, Scottsdale REALTORS® accumulates data and issues statistical reports relating to general market trends and comparisons of past transactions of general interest. Data collection will not be limited to the membership but will generally deal with the market as a whole, and the results will be available to non-Members. The development of guidelines and standards relating to the accumulation, dissemination and use of such information will be open to wide participation by affected parties, and participation in any data collection will be strictly voluntary. In conducting any market research, Scottsdale REALTORS® will take care to avoid anticompetitive effects. General historical statistical data collected by Scottsdale REALTORS® is for use and analysis by individual Members and companies and should not be discussed among competitors at organized functions or otherwise.

### **2.8.D Conduct of Meetings**

All Scottsdale REALTORS® meetings, including sponsored events and informal gatherings whether onsite at Venue 8600, or offsite, will be conducted in full compliance with antitrust laws with Scottsdale REALTORS® staff present. Discussion of any topic suggestive of an intent or agreement to restrict competition or fix prices shall be improper.

1. Discussions of individual company policies and practices;
2. Criticism of another company's practices or of any particular business model; and
3. Suggestions that a local association or multiple listing services exclude from membership or participation those who practice any particular business model or engage in any unfamiliar or innovative activity or practice.

Despite the fact that Scottsdale REALTORS® staff are well versed in antitrust matters, the presence of staff at a meeting should not invite discussion of matters that violate the letter or spirit of this policy or the antitrust laws. It is the responsibility of each Member in the first instance to avoid raising improper subjects for discussion. However, if discussion of any inappropriate topics occurs at any meeting, all Members present should openly disassociate themselves from



such discussions, and if the discussions do not end immediately, the meeting should be brought to a prompt adjournment by the person in charge of the conduct of the meeting. Committee Chairs and others conducting meetings will find that adherence to prepared agendas for all Scottsdale REALTORS® meetings will reduce the likelihood of inappropriate discussions.

### **2.8.E Enforcement of Policy**

This policy has been prepared to assure that Scottsdale REALTORS® Members, and especially Scottsdale REALTORS® volunteers and participants in Scottsdale REALTORS® and other REALTOR® association meetings, are aware of their obligations under antitrust law. Consequently, Members conducting or participating in meetings of any REALTOR® association shall see to the strict enforcement of this policy.

Volunteers and participants may be required, as a condition of participation on Scottsdale REALTORS® Committees, to execute a copy of this policy to affirm their acceptance of its principles and agreement to comply with its terms. Members with questions about antitrust issues should contact the CEO or seek other competent advice in all cases involving specific situations as they arise or when in need of guidance.

## **2.9 CONFLICT OF INTEREST POLICY**

The purpose of the Conflict-of-Interest Policy is to protect Scottsdale REALTORS® interests when Scottsdale REALTORS® is contemplating entering into a transaction or taking an action that might affect the private interests of an Officer, Director, Committee Member, or Employee of Scottsdale REALTORS®. This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to nonprofit organizations.

### **2.9.A Definitions**

- “Interested Person” – Any Officer, Director, Committee Member or Employee who has a direct or indirect Financial Interest or Nonfinancial Interest, as defined below, is an Interested Person.
- “Business” – Any organized entity providing, or being considered as a provider of, products or services to Scottsdale REALTORS®; including but not limited to: non-profit and for-profit associations, corporations, partnerships and sole-proprietorships.

- “Financial Interest” – A person has a Financial Interest if the person, directly or indirectly, through business, investment, or family:

- a. is a principal, partner, or corporate officer of a Business; or
- b. serves on the board of directors of the Business unless the individual’s only relationship to the Business is service as Scottsdale REALTORS®’ representative on such board; or
- c. holds an Ownership Interest of more than one percent (1%) of the Business.

- “Nonfinancial Interest” – An interest or participation in pending litigation, cases involving the enforcement of Association rules and governing documents, matters of legal sensitivity, or disciplinary matters involving Scottsdale REALTORS® that might influence the objectivity of an Officer, Director, Committee Member or Employee in performing their duties to Scottsdale REALTORS®.

## **2.9.B Procedures**

1) Duty to Disclose – An Interested Person shall disclose to the Board of Directors the existence of any actual or possible Financial or Nonfinancial Interest in any matter under consideration by the Board of Directors.

2) Recusal – Any Interested Person may recuse themselves at any time from involvement in any decision or discussion in which the Interested Person believes they may have a Financial or Nonfinancial Interest.

3) Determination of the Existence of a Conflict of Interest – After disclosure of a Financial Interest or Nonfinancial Interest by an Interested Person or upon request of a Director, the Board of Directors may review all material facts and question the Interested Person regarding the potential conflict of interest. The President shall excuse the Interested Person from the meeting in order to discuss and vote upon whether a conflict of interest exists. The non-interested Directors shall determine by majority vote whether a conflict of interest exists.

4) If a majority of the non-interested Directors determines that a conflict of interest exists, an Interested Person may not participate in any discussions related to that matter other than to respond to questions asked of them by other Directors. An Interested Person may not vote on any matter in which the Interested Person has a conflict of interest, including votes to block or alter the actions of the Board in order to benefit their Financial or Nonfinancial Interest. The President may excuse the Interested Person from the meeting in order to discuss and vote upon the matter in which the Interested Person has a conflict of interest.

### **2.9.C Violations of the Conflict-of-Interest Policy**

Failure by an Interested Party to disclose actual or possible Financial or Nonfinancial Interests constitutes a possible violation of the Conflict-of-Interest Policy. Alleged violations of the Conflict-of-Interest Policy shall be investigated and enforced in accordance with disciplinary procedures established in the Bylaws, this Manual, and the Employee Manual (if applicable).

### **2.10 CODE OF CONDUCT & HARASSMENT POLICY**

The Member and Staff Code of Conduct and Anti-Harassment Policy of NAR is adopted as the policy of the Association and is incorporated herein. Scottsdale REALTORS® fully supports the rights and opportunities of all Members and to work in an environment free from discrimination and harassment. Harassment includes sexual harassment and means any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment.

Harassment of any Member or Staff will not be tolerated. All Members and Staff are expected to behave accordingly and take appropriate measures to ensure that such conduct does not occur.

Appropriate disciplinary action will be taken against any Member or Staff who engages in harassment.

Any Member who believes he or she has been the subject of harassment should report the alleged act immediately to any Officer, Director, the CEO, Counsel, and/or the Chair or Vice-Chair of the Committee, Task Force, Advisory Group or Forum. If the complaint involves the Chair or Vice-Chair, the complaint should be brought to the attention of the staff liaison. Staff shall follow the complaint procedures set forth in Scottsdale REALTORS®'s Bylaws, this Manual or Employee Handbook, as applicable. Upon receipt of any harassment complaint, the Officer, Director, CEO, Counsel, Chair or Vice-Chair, shall report the complaint in accordance with the Investigatory & Disciplinary Procedures in Section 2.13 of this Manual.

### **2.11 MEMBER WHISTLEBLOWER POLICY**

SCOTTSDALE REALTORS® requires all Association Members and Staff to observe high standards of business and personal ethics in the conduct of their duties and

responsibilities. As representatives of the Association, Members and Staff must practice honesty and integrity in fulfilling responsibilities and comply with all applicable laws and regulations.

#### **2.11.A Reporting Responsibility**

It is the responsibility of all Members and Staff to comply with the Bylaws and this Manual and to report violations or suspected violations in accordance with this Policy. Members are encouraged to share their questions, concerns, suggestions or complaints with any Officer, Director, the CEO.

#### **2.11.B No Retaliation**

No Member or Staff, who in good faith reports a violation or suspected violation of Scottsdale REALTORS® Policies, shall suffer harassment, retaliation or other adverse consequences. This policy is intended to encourage and enable Members and Staff to raise serious concerns within the Association prior to seeking resolution outside the organization.

#### **2.11.C Acting in Good Faith**

Anyone filing a complaint concerning an alleged or suspected violation of the Bylaws or this Manual must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation and shall be investigated in conformance with this Manual. If during the course of any investigation conducted pursuant to Section 2.13 of this Manual, Counsel determines that any knowingly or maliciously false allegations have been made, Counsel shall report such findings to the President or highest- ranking Officer not involved in the complaint, who may then initiate an investigation of the malicious or false complaints.

#### **2.11.D Confidentiality**

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

### **2.12 INVESTIGATION & DISCIPLINARY PROCEDURES**

#### **2.12.A Complaint**

Members and Staff may report any alleged or suspected violation of the Bylaws and this Manual (a “Complaint”) to any Officer, Director, and/or the CEO. If a Director receives notice of a Complaint, they shall promptly notify the highest-ranking

Officer without a conflict and the CEO. If the complaint names the CEO, the President shall consult outside counsel. If the CEO receives notice of a Complaint, they shall promptly notify all Officers without a conflict. The Officers and the CEO shall notify Counsel upon receipt of the complaint and the Board of the existence of the Complaint at the next regularly scheduled Board meeting, unless earlier action by the Board is necessary, in which case a special meeting of the Board may be held. The Officers, CEO and/or Counsel shall promptly notify the insurance carrier in accordance with any existing insurance policy.

#### **2.12.B Investigation**

Counsel (or outside counsel, as the case may be) shall acknowledge receipt of the Complaint to the Complainant within five (5) business days of receipt. Counsel shall begin an investigation of the allegations in Complaint within ten (10) business days of receipt of the Complaint and shall exercise reasonable care to ensure the investigation and report are completed in a timely manner. Upon conclusion of the investigation, Counsel shall provide an investigation report to the CEO and all Officers without a conflict. Counsel may recommend that a disciplinary hearing be held in accordance with this Section based on the results of the investigation.

#### **2.12.C Hearing and Discipline**

Any Member of the Association may be reprimanded, placed on probation, suspended or expelled for any violation of the Bylaws or this Manual after a hearing in accordance with this Section. The decision of the appropriate disciplinary action to be taken shall be made by the review tribunal comprised of the President, President-Elect, Vice President, Treasurer and one Director selected by the highest-ranking Officer not named in the Complaint, upon consultation with Counsel. If the Complaint names the President, President-Elect, Vice President or Treasurer, they may not participate in the proceedings and shall be replaced by the Immediate Past President or, alternatively, by another Director selected by the highest-ranking Officer not named in the Complaint. Disciplinary action may also consist of any sanction authorized by the *Code of Ethics and Arbitration Manual* of the National Association of REALTORS®. The results of the investigation and any recommendations for discipline by the review tribunal are subject to final review and approval by the Board.

#### **2.13 LEADERSHIP DEVELOPMENT**

Scottsdale REALTORS®'s future success rests on its ability to recruit and develop new leaders. Scottsdale REALTORS® will conduct an on-going program designed to

identify future REALTOR® leaders and to enhance their leadership skills and knowledge through the Scottsdale REALTORS® Leadership Academy.

Officers, Directors, Brokers, Leadership Academy Alumni and Staff are encouraged to invite Members to apply to participate in the Academy. A task force of past Leadership Academy graduates will be formed each year by the CEO to select the incoming class. Class numbers will stay in the range of 15 – 19 REALTOR® students and can include up to 2 Affiliate members.

## **2.14 STAFF PROFESSIONAL DEVELOPMENT**

In order to ensure that SCOTTSDALE REALTORS® has a highly-trained and competent Staff, employees are encouraged to seek relevant professional development with measurable benefit to the Association. The Association shall allocate sufficient resources in the annual Budget to ensure that appropriate professional development for Staff is available at the CEO's discretion.

## **2.15 CEO EVALUATION**

The CEO shall provide the incoming Officers a copy of the CEO's current and/or most recent contract prior to January 1 of each year. The Board shall strictly adhere to the terms of the employment contract with the CEO (the "CEO Contract") as it pertains to compensation processes, procedures and performance evaluation. Where terms in any current or proposed CEO Contract conflict with the Bylaws, the Board of Directors shall seek modification of the CEO Contract to conform with the Bylaws.

The Leadership Team shall annually establish the CEO's goals as needed and annually evaluate the CEO's performance and follow all provisions outlined in the CEO Contract.

# **3. COMMITTEE POLICIES**

## **3.1 COMMITTEES GENERALLY**

Scottsdale REALTORS® seeks to engage its Members and provide a wide variety of volunteer opportunities to all interested Members. For the purposes of Section 3, "Committee" includes standing committees, special committees, forums, councils, advisory groups and advisory teams established in the Bylaws or this Manual on a non-temporary basis. For the purposes of Section 3, "Task Force" is a special committee, ad hoc committee, work group or other group of Members created by the Board for a temporary, limited or specific purpose. Per the Bylaws and Policy Manual, the Association shall have a Nominating Committee, Budget & Finance

Committee and additional committees, councils and task force groups based on the needs of the Strategic Plan. Currently the following represents active Committee and Councils:

Budget & Finance Committee  
Commercial Council  
Global Council  
Government Affairs Committee  
Housing Affordability Committee  
RAPAC Committee  
YPN Committee

Any Committee or Task Force not previously required or created by the Bylaws or this Manual must be approved by the Board following careful consideration of the Committee/Task Force's proposed scope, budgetary impacts, and Staff resource impacts. Each new Committee and Task Force shall have a well-articulated mission, which does not overlap or duplicate the mission of existing Committees of the Association.

Committees shall serve the interests of the broader Association membership. The CEO is responsible for assigning Staff to act as a liaison to each Committee and Task Force. The staff liaison will prepare the minutes and be responsible for all committee correspondence. Communication regarding Scottsdale REALTORS®' committee or Board of Directors discussions, activities, actions, specific vote tallies and how an individual voted, prior, during or after meetings, is not permitted. Committee and Task Force Members and Staff shall strictly adhere to the Antitrust Policy. Absences from any three (3) regularly scheduled meetings without an excuse deemed valid by the Chair shall be construed as resignation from the Committee.

All actions of committees outside of the Strategic Plan, Scottsdale REALTORS®' Policy or budget allocations are subject to the approval of the Board of Directors. These action items will be reflected in the minutes of the committee under the BOD Action Required section of the BOD agenda for the next meeting of the Board.

#### **4. COMMITTEE CREATION & APPOINTMENT**

##### **4.1 COMMITTEE APPOINTMENT PROCESS**

The Scottsdale REALTORS® incoming President prior to the November Board Meeting shall, in consultation with the incoming President-Elect, CEO and Staff Liaison, appoint the Chair and Vice-Chair subject to approval by the Board. No later than the December Board meeting a list of committee members will be prepared by

the Committee Chair with input from the staff liaison and presented to the Board for approval.

#### **4.2 LIMITATIONS ON MEMBER APPOINTMENTS**

During September of the year prior to appointment, staff will send out an interest call to all members and compile a list for consideration by the Committee Chair and Vice Chair.

Each eligible Member may identify up to three (3) Committees on which they would like to serve. Committee appointments are for one (1) year. The Association shall make reasonable efforts to ensure that each eligible and interested Member is appointed to at least one Committee to which they have applied and are qualified. All members who responded to the interest call will be notified of their appointment within 2 weeks of approval. Those not receiving an appointment will receive notice of such with other opportunities to engage and encouragement to re-submit the following year. All REALTOR® and Affiliate Members are eligible for appointment except for the Budget & Finance Committee. Institute Affiliate Members are not eligible for committee appointments.

#### **4.3 COMMITTEE/TASK FORCE CREATION PROCESS**

The Bylaws grant the Board the authority to create Committees and Task Forces. Any Director may propose the creation of new Committees and Task Forces from time to time in response to current needs of the Association. If the Board approves the creation of a Committee or Task Force, the President shall appoint the Chair, Vice-Chair and Members of the Committee or Task Force subject to Board confirmation.

### **5. STANDING COMMITTEES & THEIR RESPECTIVE ROLES**

The following are the Standing Committees as set forth in the Association's Bylaws and Policies. The makeup and authorities of the committees shall be dictated by the Board and this Manual.

#### **5.1 A NOMINATING COMMITTEE**

The appointment, composition and duties of the Nominating Committees are outlined in the Association's Bylaws Article XI, Section 6.

#### **5.2 BUDGET & FINANCE COMMITTEE**

The purpose of the Budget and Finance Committee is to provide oversight of the financial management and reporting function of the Association. The committee is responsible for working with the CEO and contract bookkeeper to assist in the



development of the annual budget and reviewing the financial performance of the Association. The committee will assist in the planning and recommendation of financial policies to the Board of Directors as well as establishing long range financial goals, investment strategies and reserve policies.

The Committee shall be approved by the Board of Directors and be comprised of the Treasurer who will serve as the Chair, the President as ex-officio, President-Elect, Vice President, 1 current Director and 5 REALTOR® members at large serving 1-year terms. After the election of officers each year, the new incoming Treasurer will serve as a non-voting member of the committee through the balance of that year. Members of the committee will be selected based on experience in corporate or non-profit financial operations, budgeting or accounting experience, or other relevant financial background.

The Budget and Finance Committee shall meet not less than four (4) times annually and the meetings will be scheduled by the Chairman of the committee in coordination with the CEO.

#### **5.2.A Specific Duties:**

- 1) Work with the CEO and contract bookkeeper on development of the annual budget to present to the Board of Directors. The Chair of the Committee shall present the draft budget and proposed dues and fees for the following year to the Board for its consideration no later than the October Board meeting. Once approved a schedule of dues and fees will be published on [scottsdalerealtors.org](http://scottsdalerealtors.org).
- 2) Monitor the performance of the annual budget and make recommendations to the Board of Directors on budget or programming modifications to address any significant variances.
- 3) Review investment performance and work with investment advisors on recommendations for changes to the investment portfolio.
- 4) Make recommendations regarding portfolio manager changes. The Budget & Finance Committee has the authority to modify the SAAR investment portfolio based on the recommendations of the investment advisors pending final approval by the Board of Directors Leadership Team. (5/24/2017)
- 5) Make recommendations for investment objectives and policies.
- 6) Monitor commercial loan and make recommendations regarding re-financing, loan products, use of lines of credit and other financing options.
- 7) Recommend capital improvement funding strategies.
- 8) Monitor cash flow.
- 9) Make recommendations for reserve goals and monitor progress of these goals.

- 10) Review insurance requirements by lender and make recommendations when needed.
- 11) Review the management letter from the Association's CPA firm and ensure follow-up on recommended policy and procedure changes.

## **6. SCOTTSDALE REALTORS® MEMBER RELIEF FUND AND ADMINISTRATIVE COMMITTEE**

The Member Relief Fund is a charity providing financial assistance to Scottsdale REALTORS® experiencing a crisis or catastrophic event and unable to meet their financial obligations. Those eligible to apply include Scottsdale REALTORS®, Affiliates and staff members. Details about the fund, criteria and the Member Relief Administrative Committee duties and responsibilities are contained in a separate document. Available monies for distribution are held in the Arizona REALTORS® Disaster Relief Fund (ARDAF).

## **7. FINANCIAL**

The CEO is responsible for engaging the CPA to conduct the annual audit and management report review.

The CEO is responsible for filing all corporate tax returns in a timely manner and to make such tax returns available for review by the Officers prior to final filing.

Directors and those serving on the Budget & Finance Committee will annually receive training to familiarize themselves with the Association's budgetary and financial policies, records and practices.

At each Board of Directors meeting, the Treasurer will present the monthly financials as provided by the contract bookkeeper. Any requests for additional information or specific questions on the financials by Board Members shall be made to the Treasurer and CEO prior to the meeting in which it is to be discussed. If the request for additional information is approved by the Treasurer, in his/her sole discretion, the contract bookkeeper and CEO shall provide within seven (7) calendar days: 1) the additional information; or 2) a written explanation as to why the information cannot be reasonably provided in the expected timeframe.

Contracts and any obligation of funds must be made in the name of Scottsdale REALTORS® and include the CEO as the contact person and signatory.

The President, President Elect, Treasurer and CEO will be eligible to sign for all bank accounts.

All payments will be processed electronically or by in-house printed check with electronic approval by the Treasurer for payments over \$5,000 and approval and payment by the CEO for those amounts under \$5,000.

The CEO may issue credit cards at their discretion to staff and officers for official business and travel use. Any cardholder must submit receipts and expense reports as directed or as per the travel policy.

## **8. NAR, ARIZONA REALTORS® AND ARMLS BOARD OF DIRECTORS**

The following Members shall serve as SCOTTSDALE REALTORS®'s representatives on the NAR Board:

1st Seat - President;

2nd Seat - President-Elect;

3rd Seat – Immediate Past President;

If Scottsdale REALTORS® qualifies for more than three (3) seats, or in the event any of the above individuals are ineligible, unable or unwilling to serve as a NAR Director, then the Vice President will automatically assume that seat.

Sitting REALTOR® members of the Scottsdale REALTORS® Board will automatically be appointed as Arizona REALTORS® Directors for the year. Additional Quota Directors as prescribed by Arizona REALTORS® will be appointed at the discretion of the Scottsdale REALTORS®' Board. Suggestions will be made no later than the October Board meeting with final selection made no later than the November Board meeting prior to the year of appointment.

Scottsdale REALTORS® is entitled to three (3) ARMLS Director appointments with staggered three (3) year terms. Vacancies will be filled by the Scottsdale REALTORS®' Board of Directors and submitted to ARMLS Board of Directors for final approval. These appointments will be at the sole discretion of the Board of Directors. Interested Scottsdale REALTORS®' members should express their interest to the CEO and President.

## **9. AWARDS**

In January of each year award nomination forms will be published at [scottsdalerealtors.org](http://scottsdalerealtors.org) and through other Scottsdale REALTORS® communication vehicles. Award nominations will be presented to the Board of Directors for final selection. The Board may select from the nominees or from other qualified individuals at their discretion.

### **9.1 REALTOR® OF THE YEAR**

Purpose is to recognize a REALTOR® Member selected by peers for exemplary service to the industry; qualified individuals must be a primary or secondary members of Scottsdale REALTORS® who is involved in the Association, NAR, AAR, the surrounding communities and is not a current Officer or Director.

## **9.2 AFFILIATE OF THE YEAR**

Purpose is to recognize outstanding contributions by an Affiliate member; qualified individuals must be a member of Scottsdale REALTORS® and serve the association through committee involvement and support and promotion of Scottsdale REALTORS® and its events and educational offerings.

## **9.3 CITIZEN OF THE YEAR**

Purpose is to recognize outstanding contributions to the community; qualified individuals must live, work or represent the jurisdiction of Scottsdale REALTORS® and are not REALTOR® or Affiliate members of Scottsdale REALTORS®.

## **9.4 EMERGING REALTOR® OF THE YEAR**

Purpose is to recognize a REALTOR® Member selected by peers for exemplary service to the industry; qualified individuals must be a primary or secondary REALTOR® member of Scottsdale REALTORS® under the age of 30, involved in Scottsdale REALTORS®, community activities and is not a current Officer or Director.

## **9.5 GOOD NEIGHBOR AWARD**

Purpose is to recognize a member who has contributed a significant amount of personal time to a program that improves the livability of a community and who serves as a role model for other REALTORS®; qualified individuals will be judged on the level of personal contribution, impact on the community and must be a primary or secondary member of Scottsdale REALTORS®.

## **9.6 CARING HEART AWARD**

Purpose is to recognize a member for service contributions within the Real Estate Community (ex. Volunteerism at RE Schools, training, service projects or mentoring); qualified individuals must be a primary or secondary member of Scottsdale REALTORS®, lift REALTORS® up within the industry, and contributes outside of his/her brokerage to the Real Estate Community.

## **9.7 THE ERIC SOLHEIM AWARD - COMMERCIAL REALTOR® OF THE YEAR**

**PURPOSE:** To recognize a REALTOR® Member whose primary business is within the various categories of the commercial real estate industry for exemplary service to the REALTOR® community and the community at large. To acknowledge a member who has contributed a significant amount of personal time to a program that improves the value of the Association to other members, the livability of our community and who serves as a role model for other REALTORS®.

**ELIGIBLE NOMINEES:** Must be a REALTOR® member of Scottsdale REALTORS® who is involved in the Association, the surrounding communities, and is not a current Officer or Director.

## **9.8 GLOBAL REALTOR® OF THE YEAR**

**PURPOSE:** To recognize a REALTOR® Member whose primary business is within the real estate industry, who has been involved in global business outreach, and for exemplary service to the REALTOR® community and the community at large. To acknowledge a member whose contribution to the development of a program that improves the value of the Association to other members, the livability of our community and who serves as a role model for other REALTORS®.

**ELIGIBLE NOMINEES:** Must be a REALTOR® member of Scottsdale REALTORS® who is involved in the Association, the surrounding communities, and is not a current Officer or Director.

## **10. EVENTS**

No refunds will be given for event registration unless a 48-hour cancellation notice is provided to Scottsdale REALTORS® and this policy will be included in all registration information.

Cancellation of scheduled events will be determined by the CEO after taking into consideration the terms of the speaker's contract, registration numbers, deposits, etc.

All Past Presidents of Scottsdale REALTORS®, incoming President and their spouse and or guests will receive complimentary invitations to the annual Installation. Additional complimentary registrations may be offered at the discretion of the CEO based on overall event budget.

Major events will be held at Venue 8600 unless otherwise authorized by the CEO.

Open bars will not be permitted at any Scottsdale REALTORS®' events and all alcohol sales must be under the liquor license of the establishment where the event is held. Up to two drink tickets may be included with registration.

## **11. TRAVEL POLICY**

The annual budget will outline all necessary staff and leadership travel and the allocation of funds to cover such travel. Once approved it is the duty of the CEO to administer the travel budget and approve all expenditures and reimbursements.

The rate of reimbursement per mile will be at the current IRS rate for automobile mileage use.

As fiduciaries of Scottsdale REALTORS®, all travel and related travel expenses by officers or directors shall be undertaken solely for the benefit of advancing the corporation's business goals and concerns.

Staff and Officers travelling on behalf of Scottsdale REALTORS® will be issued a corporate credit card. All travel expenses will be charged to the card when possible and receipts will be uploaded to the card app as directed by the CEO. Expenses authorized to be charged are as follows:

1. Early registration fees
2. Airline tickets at the direction of the CEO based on schedules, available travel points, preferred airline – Scottsdale REALTORS® staff will assist in the booking of airline tickets to ensure the best possible pricing – reservations must be made in a timely fashion in order to obtain the best rates possible
3. Hotel room plus taxes and fees for those nights required to fulfill their duties on behalf of the Association
4. Parking and transportation
5. Mileage will be reimbursed at current IRS rate – if choosing to drive instead of flying mileage reimbursement will not exceed the cost of airfare
6. Receipted expenses for food and beverages not to exceed an average of \$125 per day per person

Expense reports will be prepared by staff and authorized by the individual traveler. Receipts and cash reimbursement requests must be filed within 21 days after the meeting.

If AAR Chairpersons, AAR and/or NAR Directors, and NAR Committee Chairpersons or Committee members receive reimbursement from another source to attend the same meeting Scottsdale REALTORS® will be entitled to a refund for any duplication of expense.

## **12. CANDIDATE REVIEW COMMITTEE POLICY**

The Scottsdale Area Association of REALTORS® (Scottsdale REALTORS®) believes in the democratic process and actively supports political candidates, regardless of party affiliation, who strongly identify with issues important to the real estate industry and in line with Scottsdale REALTORS®' Legislative Policy Platform; the preservation of private property rights, economic vitality, housing opportunity and choice, preserving the environment, and overall quality of life.

These policies and procedures, including but not limited to the use of the forms attached hereto and made a part hereof, may be temporarily waived on a case-by-case basis by majority vote of the Scottsdale REALTORS® Board of Directors.

### **12.1 CANDIDATE ENDORSEMENT & SUPPORT PROCESS**

#### **12.1.A Committee Responsibilities:**

The Scottsdale REALTORS® Candidate Review Committee shall evaluate all viable candidates and make recommendations for endorsement and/or campaign support to the Board of Directors for approval. Such recommendations may include the subsequent release of candidate information and specific candidate endorsements to the membership, once approved by the Board of Directors. In addition, the committee may forward recommendations concerning RAPAC (REALTORS® of Arizona Political Action Committee) disbursements, public declarations of support and special election activities.

All committee actions shall be approved by the Scottsdale REALTORS® Board of Directors.

#### **Offices eligible for SAAR Scottsdale REALTORS® Candidate Support**

- Arizona Legislature (State House and Senate)
- Mayors and City Councils
- County Board of Supervisors
- Countywide Elected Officials
- Public Service Districts
- School Boards

#### **12.1.B Candidates Eligible for Support**

- All incumbents and viable candidates running for an eligible office within the Scottsdale REALTORS®' jurisdiction, who complete the Association's candidate review process and 'Recommended for endorsement' are eligible for campaign support and disbursement of RAPAC funds.
- Any REALTOR® running for office must complete the Scottsdale REALTORS®' Candidate Review Process and receive a 'Recommendation for endorsement' to be eligible for campaign support and disbursement of RAPAC funds. All REALTOR® candidates will be rated by the same criteria applied to non-REALTOR® candidates.
- All Scottsdale REALTORS® Candidate Review Committee motions and RAPAC disbursements must be approved by the Scottsdale REALTORS® Board of Directors.
  - A. For General Assembly races, the AAR RAPAC Trustees must approve all RAPAC disbursements.
  - B. For Regional, County Supervisors, and Countywide Elected Officials, the joint Maricopa County Candidate Review Committee (MCCRC) recommends candidate endorsements, support and disbursement of RAPAC funds; which are submitted for approval to the Board of Directors for each local association participating in the joint MCCRC. In advance of each county election cycle the participating REALTOR® Associations' CEOs and GADs set the equitable percentage split and maximum gross RAPAC disbursement budget for the MCCRC.

**12.2 COMPOSITION OF COMMITTEE:** The Scottsdale REALTORS® Candidate Review Committee shall be comprised of the following, barring any conflicts of interest:

1. President
2. Chief Executive Officer
3. Government Affairs Director
4. Government Affairs Committee Chairs
5. RAPAC Committee Chair
6. Government Affairs Committee Members
  - a. 1-2 members residing in each electoral district being reviewed.
  - b. If a representative for an electoral district is not available, the CEO and GAD will identify an alternate Scottsdale REALTORS® member for appointment, with the President's approval.

The Government Affairs Committee Chair serves as the Candidate Review Committee Chair.



All committee actions shall be approved by the Scottsdale REALTORS® Board of Directors.

**12.3 CANDIDATE REVIEW PROCESS:** The committee shall be responsible for analyzing the results of candidate questionnaires and conducting candidate interviews. Recommendations from the Committee will be forwarded directly to the Board of Directors for consideration at a special meeting if needed. Final decisions by the Board of Directors which entail disbursement of RAPAC funds will be forwarded immediately to the AAR Trustees for consideration.

#### **12.4 PARTICIPATION RULES**

**A** The candidate interview and evaluation process is to be a non-partisan process and should focus on each candidate's views on subjects of interest to the real estate industry. As such, it is extremely important to put aside party affiliations during the interview and evaluation process.

**B** When practical, at least one member present and participating in the candidate interviews should be an eligible voter from that electoral district and due to the diverse nature of Scottsdale REALTORS®' membership; the candidate interview panel should be diverse and represent a broad base of real estate practitioners that are members of the association. There must be a minimum of five REALTORS® present to conduct a candidate screening interview.

**C** A Candidate Review Committee member may not participate on an interview panel if they have financially supported, endorsed, or actively participated in the campaign of any candidate in that race during the present election cycle. Any committee member should disqualify him/herself if that member has a real or perceived conflict of interest from voting on candidate recommendations and RAPAC disbursements; and shall not vote on nor remain present during discussion or consideration of such support. The Candidate Review Committee leadership holds the right to ask a member to disqualify him/herself for a real or perceived conflict of interest.

**D** Each interview panel member participating in candidate evaluations must have attended all of the interviews for that race, on the day that they are held to be eligible to vote.

## **12.5 EVALUATION PROCESS**

After candidate interviews the panel will meet to make its recommendations on whether Scottsdale REALTORS® should Endorse a candidate in the subject race and/or whether RAPAC funds should be requested for support of that candidate's campaign.

***Recommended*** means the candidate received the highest marks compatible with REALTOR® interests.

### **12.5.A Topics for Evaluation**

- Voting Record (if an incumbent)
- Knowledge of issues
- Philosophy on issues affecting the real estate industry and private property rights
- Image and electability
- Campaign organization and financial strength
- Experience and education levels
- Campaign strategy
- REALTOR® involvement in the campaign

## **12.6 INDEPENDENT EXPENDITURES / RAPAC DISBURSEMENTS**

Only candidates endorsed by the Candidate Review Committee may be supported with a distribution of RAPAC funds or funds available through the National Association of REALTORS®.

All Scottsdale REALTORS® Candidate Review Committee's and Board of Directors' work and discussions regarding recommendations for disbursement of funds must remain only with the Committee/Board of Directors prior to the public delivery of the expenditure.

## **12.7 INDEPENDENT EXPENDITURES COMMITTEE**

Scottsdale REALTORS® is to have an independent expenditure committee. The committee is to be made up of three REALTORS® from the Candidate Review Committee appointed by the President. The Government Affairs Director and Chief Executive Officer are to serve on the committee as ex-officio members. The committee is to only support candidates recommended by Scottsdale REALTORS® Board of

Directors and only perform independent expenditures on behalf of local government candidates.

The committee is to decide any and all expenditures made on behalf of Scottsdale REALTORS® in support of candidates for local office (city council, county council and school board) by requesting either funds from the local RAPAC account or funds available through the National Association of REALTORS® and approve all plans for how those funds are to be spent.

The committee's work must remain only with the committee prior to the public delivery of the expenditure. The Committee Chair or his/her designee should be expected to brief the Scottsdale REALTORS® Board of Directors after the independent expenditure has taken place.

Other activities in lieu of endorsement and funding that can be considered by the Committee will include, but not be limited to: Candidate Forums, Candidate scorecards benchmarking each candidate on REALTOR® issues and Candidate receptions (meet and greets).

## **12.8 CANDIDATE RECOMMENDATIONS:**

The Scottsdale Area Association of REALTORS® shall subscribe to best practices and withhold public release of candidate information or specific candidate recommendations until after the official candidate filing deadline unless deemed necessary by a consensus of the President of the Board, President-Elect, CEO and the Government Affairs Director.

An article on Scottsdale REALTORS®' website or transmitted to the membership via email that includes candidate recommendations may also include information on all candidates and their positions.

Scottsdale REALTORS® shall endorse and/or support only those candidates for public office within the jurisdictional limits of the Scottsdale Area Association of REALTORS®.

### **12.9 COMMUNICATION:**

Scottsdale REALTORS® may use any or all, but shall not be limited to the following forms of communication to educate members and to endorse city council and county supervisor candidates to its members:

- a. Electronic publication (web or email) to the membership
- b. REALTOR® Marketing Sessions
- c. Text Messaging
- d. Social Media

### **12.10 SUPPORT FOR CANDIDATES OPTIONS:**

- Press release with list of candidates supporting.
- RAPAC money
- Solicit volunteers for their campaigns
- Provide list or labels of Scottsdale REALTORS® members in their district
- Information in the Scottsdale REALTORS® electronic publications

## **13. RMS GUIDELINES – Under Review**

Scottsdale REALTORS® will make available to its members REALTOR® Marketing Session (RMS) groups to facilitate the promotion of listings as well as discuss clients' particular needs, the ability to network with successful and knowledgeable real estate professionals and to hear prominent guest speakers and discuss relevant real estate issues that could potentially impact the members' business.

Each REALTOR® Marketing Session (RMS) is under the jurisdiction of Scottsdale REALTORS® with established boundaries approved by the Scottsdale REALTORS® Board of Directors.

Each RMS will have the following volunteer leadership positions:

Director, (Co-Director is Optional), Assistant Director, Tour Coordinator, Speaker Coordinator (optional), Treasurer, Marketing Coordinator (optional), Meeting Coordinator (optional). One person can fill multiple positions as needed. Director positions must be

approved by the Board of Directors and all other positions will be appointed by the Director as needed. Scottsdale REALTORS® Board of Directors reserves the right to remove any person in leadership at their discretion.

Positions of Director and Tour Coordinator must be filled by SAAR REALTOR® Members. SAAR Affiliate members may serve as Assistant Director, Treasurer, Speaker Coordinator, Marketing Coordinator and Meeting Coordinator.

Terms for Leadership Positions will not exceed 4 years.

Volunteer RMS Leaders will be required to attend a leadership training session conducted by Scottsdale REALTORS® as needed.

The scottsdalerealtors.org website will be the only website used by RMSs.

The official Scottsdale REALTORS® RMS logo will be used on all distributed materials that are produced by the RMS for the meeting and/or tour. Scottsdale REALTOR® Logo usage must abide by the brand guidelines set forth by the Association.

### **13.1 TOURS**

- All RMS Groups will submit their current instructions for placing a house on tour to Scottsdale REALTORS® for posting online.
- Tours will be on a First Come/First Serve basis. Homes that are submitted but not able to be on tour will be kept on the pending list until the tour date is available.
- Additional criteria such as Minimum/Maximum “list price” and meeting attendance, are at the discretion of the individual RMS groups and determined by the Leadership of each RMS.
- The cost to place a home on tour will be set by each tour group with a minimum amount of \$15.00 due when the listing is entered and confirmed on the website and is non-refundable. If the home is sold before meeting, listing agent must contact the Tour Director to remove the home from the tour. Scottsdale REALTORS® reserves the right to limit the number of times a listing can be on tour.
- Only properties listed by a member of ARMLS (Arizona Regional Multiple Listing Service) may be placed on tour. The listing must be active in ARMLS.

- Any REALTOR® holding membership in the RMS, from any association, can place a home on tour.

### **13.2 SPEAKERS**

- Speaker topics should be INDUSTRY specific and the speaker should be qualified to speak on that subject. Candidates for political office may not speak at RMS meetings unless specifically invited and approved by Scottsdale REALTORS®.
- Scheduled speakers should be reviewed and approved by the RMS Director prior to the meeting.
- All RMS Meetings should have a back-up plan in place in case of Speaker NO SHOW.
- All speakers should fill out Speaker Information Sheet, giving information on contact information, speaker professional bio and subject of presentation. This should be sent to Scottsdale REALTORS® on the RMS Speaker Form including a head shot by the 15<sup>th</sup> of the month prior to the month of the scheduled meeting to be used for RMS Meeting communications and Speaker Database.
- All touts are to be REALTOR® buyer or seller needs, and the tout presenter should refrain from dialogue regarding politics, personal business or charities.
- RMS Groups will permit Scottsdale REALTORS® Staff and Leadership to be part of their agenda when requested.
- RMS Groups will provide opportunities for Scottsdale REALTORS® Board of Directors candidates to promote themselves at RMS meetings. Candidates must schedule with the RMS Director in advance.

### **13.3 MARKETING PARTNERS OPPORTUNITIES**

- All Marketing Partners Opportunity applications and descriptions must be approved by individual Scottsdale REALTORS® and may be limited based on the written guidelines established by the individual tour leadership. (amended 2/27/19)

- RMS Leadership should be aware of current RESPA advertising and marketing rules and how Affiliate advertising should be utilized and displayed.  
(<http://www.aaronline.com/2013/03/respa-revisited/>)
- The RMS must be able to document the value of the advertising received for the amount collected by Scottsdale REALTORS®. Examples of acceptable benefits to the advertiser would be: signage at the meeting promoting their product or service, inclusion of advertising for their product or service on presentation screens, print advertising promoting their product or service, opportunity to speak to promote their product or service at the meeting or at a lunch house.
- Money received for marketing partner opportunities **cannot** be used for charitable donations.

#### **13.4 CHARITABLE CONTRIBUTIONS**

**If an RMS wishes to support a charity, the charity will be a 501(C) (3) organization and identified in advance and approved by the SAAR Board of Directors. The RMS should have a consistent process on how these charities are chosen and submit this information with the request to the Board.**

**Advertising revenue, admission fees and fees to put a home on tour cannot be diverted to charitable contributions.**

**All charitable contributions must be voluntary and those contributing must receive a receipt identifying the organization and the tax deductible contribution amount if any.**

#### **13.5 FINANCIAL**

**In consultation with our auditors and in keeping in compliance with generally accepted accounting principles (GAAP) and Statements on Auditing Standards, the following guidelines with respect to our REALTOR® Marketing Session (RMS) chapters must be observed:**

- All Facility/Equipment fees and expenses must be paid by Scottsdale REALTORS®. Unless previously authorized, Volunteers involved in RMS meetings are not authorized to charge meeting expenses to Scottsdale REALTORS® and should request assistance when scheduling payments.
- **Within 5 days** all money collected and expenses incurred by the RMS will be submitted to Scottsdale REALTORS® on a reconciliation form provided by Scottsdale REALTORS®. This is to include: all checks, cash, and money orders presented by attendees for meeting fees, class registration fees, affiliate advertising fees, and any other functions. In addition, all supporting expense documentation needs to be submitted to Scottsdale REALTORS® on this form for reimbursement to the individual, RMS group or direct payment to the vendor.
- All event/meeting related monies and expenses must be submitted to Scottsdale REALTORS® within **FIVE (5)** business days of the event/meeting and must be submitted within the calendar year of the event/meeting.
- Scottsdale REALTORS® will provide quarterly profit and loss statements to each RMS Director and Treasurer.
- All contracts obligating Scottsdale REALTORS® and its RMS meetings for room rental and/or equipment usage must be presented to and authorized by Scottsdale REALTORS®.
- Scottsdale REALTORS® RMS meetings are not authorized to open separate checking accounts, as all income and expenses will be accounted for at Scottsdale REALTORS® and will be consolidated into Scottsdale REALTORS® financial statements.