

**YAKIMA ASSOCIATION  
OF REALTORS®**

**POLICY  
MANUAL**



**ADOPTED JUNE 2021**

Yakima Association of REALTORS®  
**POLICY MANUAL**

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## **SECTION 1: ASSOCIATION GOVERNANCE POLICIES**

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### **1.1 *Rules of the Yakima Association of REALTORS® (YAR)***

An association may adopt or be issued various kinds of rules. Below is a historical narrative concerning the rules of the Yakima Association of REALTORS®.

YAR was established in the City of Yakima in the State of Washington in 1948. The most current document available is the charter which was rendered to the Association in 1948 by the National Association of Real Estate Boards (now known as the National Association of REALTORS®). The charter prescribes YAR's privileges and responsibilities, including the duty to abide by the constitution and bylaws and observe the code of ethics of the National Association of REALTORS®.

Additional national association organizational documents of particular significance to the association include the following membership related statements: Code of Ethics (as amended), Three Way Agreement, and the Membership Criteria (6 and 8 points).

YAR was granted tax-exempt, non-profit 501 (c) 6 status by the U.S. Treasury Department, Internal Revenue Service. YAR most recently filed Articles of Incorporation (non-profit corporate status) with the State of Washington in 1966.

YAR's bylaws were adopted and have been amended by the membership at various membership meetings (dates unknown). The most recent amended version of the bylaws is dated December 28, 2017.

YAR recognizes, in its bylaws, the latest edition of Robert's Rules of Order, Newly Revised Edition as the authority governing all meetings and conferences of YAR.

In addition, YAR members in regular or special meetings, or YAR's Board of Directors, in a regular or special meeting, may adopt special rules governing their meetings as found necessary to supplement or modify rules provided in Robert's Rules of Order. Special rules supersede any rules in the parliamentary authority with which they may conflict.

Standing rules as outlined in the Policy Manual may also be adopted at any regular or special meeting prescribed above and are rules which relate to the details of the administration of YAR, rather than to parliamentary procedure.

Finally, YAR is subject to all provisions of local, state and national law and regulation applying to professional, trade, tax-exempt, non-profit 501 (c) 6, corporations.

The following documents pertaining to the rules of YAR are made a part of this manual or are located at YAR office for review.

## ***Other Governing Documents That Pertain to the Yakima Association of REALTORS®***

- 1. National Association Rules**
  - Constitution and Bylaws of the National Association of REALTORS®.
  - Code of Ethics of the National Association of REALTORS®. Charter issued by the National Association of REALTORS®.
  - Three Way Agreement among the national, state and member boards.
  - Membership Criteria (six (6) and eight (8) points) of the National Association of REALTORS®.
- 2. Federal Government Rules**
  - Tax-exempt, non-profit 501 (c) 6 status letter granted by the US Treasury Dept., IRS.
- 3. State Government Rules**
  - Articles of Incorporation granted by Washington Secretary of State, for the Yakima Association of REALTORS®.
- 4. Association Bylaws**
  - Bylaws provide the foundation for Association governance and are amended by the Board of Directors.

### ***1.2 Policy Formulation vs. Policy Administration***

Distinctions are quite often obscure between and among such terms as policies, rules, positions, directives, regulations, procedures, practices, et al. Consequently, the following shall serve as definitions for YAR concerning the terms used in the manual and YAR generally:

- 1. ARTICLES AND BYLAWS** are rules governing the operation of YAR adopted by the Board of Directors.
- 2. RULES OF ORDER AND STANDING RULES** are rules governing the operation of YAR adopted by The Board of Directors in session with the advice and/or recommendation of staff.
- 3. POSITIONS** are descriptive narratives, sometimes including recommendations, outlining the concerns and/or views of YAR members on current issues adopted by The Board of Directors in session with the advice and/or recommendation of staff.
- 4. PROGRAMS** are descriptions of activities relating to YAR adopted by The Board of Directors and/or Executive Committee in session with the advice and/or recommendation of staff.

5. **POLICIES** are general or fundamental principles relating to Board involvement adopted by the members of The Board of Directors or Executive Committee in session with the advice and/or recommendation of staff. They are broad enough to allow latitude in implementation but narrow enough to give clear guidance.

6. **PROCEDURES** are the detailed explanations, directions or actions to implement adopted articles, bylaws, rules, positions, programs and policies selected and applied by staff with the advice and/or recommendation of the president. They address specific directions telling how, by whom and when things are to be done.

## 7. DEFINITIONS

- **Basic Capacities.** All of the specific real estate services and programs that fall within the scope of one of the three core functions of the Association: Government Affairs/RPAC, Membership and Association Operations. The basic capacities will be the ongoing responsibilities assigned to each of the Core Committees.
- **Core Committee.** A committee with responsibility for oversight of activities in a core subject area. A core committee will address strategies, programs and basic capacities through its own direct action or by the creation of special committees and task forces to get the work accomplished. The core committees are Association Operations, Membership and Government Affairs/REALTOR® PAC.
- **Standing Committee.** A committee that is explicitly recognized by the Board of Directors as a permanent committee and is not subject to review during the annual planning process. The standing committees are: Association Operations, Executive, Finance, Membership, Diversity, Public Relations, Government Affairs, REALTOR® PAC, Grievance & Professional Standards, Special Events and Education Committees
- **Special Committee.** A committee with responsibility for a defined aspect of a core subject area. Special committees will be formed every year based on the strategic or operational needs of the association, and annually can be continued into the following year, sunset or modified, depending on the then-current needs of the Association.
- **Advisory Work Group.** A group formed to provide advice or guidance to YAR leadership or staff on a specific, limited subject, for a specific, limited period.
- **Task Force.** A task force appointed by a Standing Committee or special committee chair to do in-depth analysis. A task force reports its findings/analysis to the group which requested the information. The committee then decides what action is appropriate from those findings.

- **Presidential Advisory Group (PAG).** A small group (5 – 9 people) appointed by the President with a defined beginning and a defined end with a measurable result as its outcome. It will make recommendations to the Executive Committee. It is designed to serve as an outreach strategy to include members and nonmembers who are not involved in the direction of the organization. The President during whose term the PAG is expected to report shall make the appointments to the PAG. Presidential Advisory Group follows the standard committee procedures within the current YAR Policy Manual including meeting minutes, document the formation of a Presidential Advisory Group, purpose, method of selection, regular reporting and final report and process.

### ***1.3 Definition and Role of Board of Directors***

The Bylaws define the Board of Directors as the governing body of Yakima Association of REALTORS®.

First and foremost, it is a policy-making body. Policy decisions are those that affect the organization to determine mission, vision, goals, and programs on the broadest scale. On the other hand, operational decisions affecting individual programs, services, or people (employees), the efficiency and quality of services and day-to-day operations are the purview of the Association Executive, under the direction of the Board.

As further defined in the bylaws, The Board of Directors of the YAR consists of the following voting members:

- President
- President-elect
- Secretary / Treasurer
- Immediate Past President
- Ten (10) Directors at large

A basic rule is that the legal entity, rather than the Board of Directors, is the holder of legal power. The powers of the Directors are not inherent in them, but in the organization as such. The principle exists that Directors or trustees exercise the powers of the organization, but do not own it. Thus, the Board of Directors has the power and duty to carry on whatever transactions the corporation or the association itself has the power to carry on. The power of the Board of Directors is superior, in ordinary matters, so long as it is exercised lawfully and in lawful transactions.

The Board of Directors is the trustee in the literal and legal sense of the term. No matter how the organization is structured, or the degree of authority delegated to committees, staff or affiliates, the Board—and therefore the Directors—are ultimately accountable. The Board of Directors holds in trust the principal responsibility for fulfilling the Association's purpose and mission—as well as the legal accountability for its operations.

This does not mean that you should fear liability for every association loss or mishap that may occur; YAR Board members are protected from liability for errors of judgment—as long as they act reasonably and in good faith, and with the basic interests of the association as the foremost objective.

Members of the Board of Directors shall always have the utmost interests of the Yakima Association of REALTORS® and/or the Multiple Listing Service of Yakima in mind. They shall avoid any contract that may serve their personal interests and should never assume any position that brings their personal interests into conflict or competition with the interests of YAR and/or MLS.

Finally, the Board of Directors, as the elected officials, has the responsibility to serve the entire industry or profession. As such, every member has the ability to embarrass or enhance the reputation of the group. Each individual member of YAR and/or MLS has an important responsibility to the association.

## ***1.4 Standing Rules for the Board of Directors***

### **RULE I: MEETINGS**

**Section 1.** Meetings shall be conducted in accordance with the Bylaws and Standing Rules. Cases not otherwise covered shall be governed by Robert's Rules of Order, Newly Revised Edition.

**Section 2.** Notices of regular meetings of the Board of Directors shall be communicated to all Members not less than five (5) days prior to each scheduled regular meeting.

**Section 3.** Notices for special meetings of the Board along with the purpose of the meetings shall be communicated to all member board Executive Officers or Elected Secretaries not less than five (5) days prior to the scheduled meeting.

### **RULE II: AGENDAS**

**Section 1.** Meeting agendas shall be prepared by the President and the Chief Executive Officer.

**Section 2.** Meeting agendas shall be adopted by the Board of Directors.

### **RULE III: EXECUTIVE SESSIONS**

**Section 1.** Only Board members, duly elected non-seated members and Association Executive specified staff may attend Executive sessions unless an exception is granted by the President or majority of the Board present and voting.

### **RULE IV: VOTING**

**Section 1.** Members and directors shall be entitled to participate fully in all discussions and deliberations. However, only directors shall be entitled to vote on matters before the body.

**Section 2.** Unless another form of voting is requested by a director, voting on matters shall be by voice vote except when ballots are necessary for votes on officer and director elections, dues changes or bylaw amendments.

**Section 3.** Roll call votes on matters may be requested by the meeting chair or a director. The President or his/her designee shall call the name of each director for their vote.

**RULE V:  
POLICIES**

**Section 1.** Policies may be adopted, revised, deleted, or suspended during any Board of Directors Meeting without advance notice.

**Section 2.** Adopted policies shall not conflict with the Bylaws.

**Section 3.** Adopted policies shall be included in the policy manual.

**RULE VI:  
MINUTES**

**Section 1.** Minutes shall be kept for all meetings of the Board.

**Section 2.** The draft minutes of the Board meetings shall be communicated to each Board Member and Member Board Executive Officer or Elected Secretary at the next Board meeting for approval by the Directors.

**Section 3.** After the draft minutes are approved, they may be made available for general distribution.

**Section 4.** The draft and official Executive Session minutes shall be maintained and available to the members of the Board only.

**RULE VII:  
ATTENDANCE**

**Section 1.** When a director misses two (2) successive Board of Directors meetings without being excused by the Board of Directors, the Director's office shall be declared vacated. Notification will be sent to the member association.

**RULE VIII:  
AMENDMENTS, DELETIONS, ADDITIONS, OR SUSPENSION**

**Section 1.** These Standing Rules may be amended, deleted, added, or suspended at a regular or special meeting of the Board by a majority vote of those present and voting.

*(Adopted prior to 2021)*

## **1.5 Ownership Disclosure and Conflict of Interest Policy**

This policy of ownership disclosure and prohibiting conflicts of interest applies to all members of the Yakima Association of Realtors®.

**OWNERSHIP DISCLOSURE**

**Section 1.** Members must disclose ownership interest or financial interest in entities prior to speaking to a decision-making body about the entity. After making the necessary disclosure, a member may participate in the discussion and vote on the matter unless the member has a conflict of interest as defined in Section 3 of the *Conflict of Interest Policy* of YAR.

**Section 2.** Ownership interest is defined as the cumulative holdings of the member, the member's spouse, children, siblings and to any trust, corporation, or partnership in which any of the foregoing individuals is an officer or director, or 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, credit or contractual rights.

**Section 3.** When the Yakima Association of REALTOR® has an ownership interest in an entity and a member has an ownership interest in that same entity, such member must disclose the existence of his or her ownership interest prior to speaking to a decision-making body on any matter involving that entity.

**Section 4.** If a member has personal knowledge that the Yakima Association of Realtors is considering doing business with an entity in which a member has any financial interest, or with an entity in which the member serves in a decision-making capacity, then such member must disclose the existence of his or her financial interest or decision-making role prior to speaking to a decision-making body about the entity.

**Section 5.** If a member has a financial interest in, or serves in a decision-making capacity for, any entity that the member knows is offering competing products and services as those offered by the Yakima Association of Realtors, then such member must disclose the existence of his or her financial interest or decision-making role prior to speaking to a decision-making body about an issue involving those competing products and services.

## **MEMBER CONFLICT OF INTEREST**

**Section 1.** Members must disclose conflicts of interest at the outset disclose their interest at the outset of any discussions by a decision-making body pertaining to the Business or any of its products or services.

**Section 2.** Members may not participate in the discussion relating to that Business other than to respond to questions asked of them by other members of the body. Furthermore, no member with a conflict of interest may vote on any matter in which the member has a conflict of interest, including votes to block or alter the actions of the body to benefit the Business in which they have an interest.

**Section 3.** A member of any of the Yakima Association of Realtors' decision-making bodies will be considered to have a conflict of interest whenever that member:

- a. Is a principal, partner or corporate officer of a business providing products or services to the Yakima Association of Realtors or in a business being considered as a provider of products or services ("Business:"); or
- b. Holds a seat on the Board of Directors of the Business unless the person's only relationship to the Business is service on such board of directors as the Yakima Association of Realtor's representative; or
- c. Holds an ownership interest of more than 1 percent of the Business.

## **1.6 Duties and Responsibilities of Officers and Association Executive**

### **DUTIES OF THE PRESIDENT**

The President shall:

1. Serve as chief elected official of the Association.
2. Formulate the major goals to be accomplished for the approval of the Board of Directors; said goals shall encompass the Strategic Plan of the Yakima Association of REALTORS®.
3. Serve as the chief spokesperson for the Association.
4. Serve as coordinator of the activities of and be responsible for the performance of the elected officers.
5. Stand ready to make decisions affecting the members on problems or issues from day to day.
6. Collaborate with the Association President as necessary in Association operations.
7. Assure that the goals and policies of the Board of Directors are carried out.
8. Be an ex-officio member of all committees.
9. Serve as the chair of the Executive Committee and as a Director by virtue of holding the position of President.
10. Serve as a delegate from the Yakima Association of REALTORS® at the National Association of REALTORS® and Washington REALTORS® business meetings and conferences.
11. Be familiar with all governing documents of the Association and assist in the implementation of the objectives and strategies of the Strategic Plan.

### **DUTIES OF THE PRESIDENT-ELECT**

The President-Elect shall:

1. Be responsible for all the duties and responsibilities of the President in the event of the President's absence or incapacity.
2. Serve as a Vice Chair of the Executive Committee
3. Have responsibility for organizing an annual training and planning session for elected officers, board members, staff, and the Executive Committee. Topics shall include leadership and management training, review of the Policy Manual, as well as goals for the coming year based on the Strategic Plan. A representative of Washington REALTORS® may be invited to review operations and activities at the state and national level. Committee chairs may present information on their current work.

4. Serve and perform other duties as directed by the President.
5. Guide the Strategic Planning process to recommend new or modified programs for consideration in the following year's plan that may more effectively achieve a strategy.
6. Serve as a delegate of the Association at the National Association of REALTORS® and Washington REALTORS® business meetings and conferences.
7. Be familiar with all governing documents of the Association and assist in the implementation of the objectives and strategies of the Strategic Plan.

## **DUTIES OF THE SECRETARY / TREASURER**

The Secretary / Treasurer shall:

1. Direct, assist, coordinate, and chair the activities of the Finance Committee.
2. Serve and perform other duties as directed by the President and maintain continuous liaison with the Chief Executive Officer and Staff Executive to insure proper coordination in the conduct of the Association's business.
3. Serve as a member of the Executive Committee.
4. Issue or cause to be issued all notices in accordance with the provisions of the Bylaws or as required by law.
5. In general, perform all duties incident to the Office of Secretary /Treasurer and such other duties as assigned by the President or the Board of Directors.
6. In conjunction with the CEO, be responsible for receipt and disbursements of all funds and securities of the Association.
7. Make such periodic financial reports and render such statements as good business practice dictates at all Board of Director meetings, and as requested by the Executive Committee.
8. Review the REALTOR® PAC Financial Reports and report the status to the Board of Directors.
9. Review annually, with the Association Executive, the Association property insurance coverage and limits.
10. Be familiar with all governing documents of the Association, assist in the implementation of the objectives and strategies of the Strategic Plan, and assure compliance with all Financial Policies.

11. Any or all the foregoing duties of the Treasurer may be delegated by the Board of Directors to the Association Executive to be performed under the supervision of the Treasurer.

### **DUTIES OF THE IMMEDIATE PAST PRESIDENT**

The Immediate Past President shall:

1. Direct, assist and coordinate the activities of the following special committees (when active):  
Installation Committee, Golf Committee, Scholarships Committee; Sunshine Committee; Nominations Committee; and Awards Committee.
2. Serve and perform other duties as directed by the President.
3. Be familiar with all governing documents of the Association and assist in the implementation of the objectives and strategies of the Strategic Plan.
4. Since the office of Past President, if vacated, shall remain vacant until the next year, the Past President shall appoint vice-chairs for each special committee noted above, and that vice chair will take over as chair of the committee in replacement of the Past President for the remainder of that term.

### **QUALIFICATIONS OF OFFICERS**

1. Each officer must be actively engaged in the profession of real estate and hold an active real estate license from the State of Washington.
2. The officers shall be required to hold, in succession, the positions, of Secretary/Treasurer, President-Elect, President, and Immediate Past President.
3. Each office shall consist of a one-year term.
4. Should the office of President-Elect or President become vacant, the next in line officer will accede to the open position for the remainder of the term. The President will nominate, and the Board confirm, the appointment of a replacement Secretary/Treasurer to complete the term and succeed on to the next offices as contemplated in No. 2.
5. The office of Past President, if vacated, shall be left unfilled until the next term.

### **DUTIES OF THE ASSOCIATION EXECUTIVE**

The Association Executive Officer serves as chief executive officer responsible to both the YAR and MLS Board of Directors for the effective conduct of the affairs of the Association and its MLS. The Association Executive recommends and participates in formulating the Association/MLS mission, goals, objectives and related policies. Within that framework, the Executive Officer plans, organizes, coordinates, manages Association/MLS staff, programs, and activities.

The executive Officer performs the following with appropriate delegations and within the limits of the Association's/MLS's charter and bylaws, and policies established by both Boards of Directors:

1. Ensure that the Boards of Directors and officers are fully informed on conditions of the Association/MLS and all external factors influencing them and attend all meetings of both Boards of Directors.
2. Play an active role in formulation & evaluation of policies, programs, services and activities of the Association & MLS, and identify opportunities to expand services which will further the objectives of the Association.
3. Execute decisions of the Boards of Directors, except when another assignment is specifically made by the Board.
4. Establish a sound organizational structure for the Association/MLS office.
5. Direct and coordinate all approved programs, projects and major activities of the Association/MLS staff.
6. Is responsible for and has authority for the Association/MLS staff, including recruiting, hiring, compensation, training, delegation of duties, performance standards, promotions and terminations.
7. Obtain maximum utilization of staff by clearly defining their duties, establishing performance standards, conducting performance reviews, and make recommendations to maintain a competitive salary structure.
8. Provide liaison and staff support to committees to enable them to properly perform their functions and maintain close communications with all committees and suggest ways to implement their plans and objectives.
9. Promote interest and active participation by membership and report activities of the Boards through vehicles available to the Communications Director.
10. Develop, in cooperation with the Boards of Directors, annual budgets subject to approval and ensure that all funds & physical assets of the Boards are appropriately safeguarded and administered.
11. Acts as bookkeeper/controller: Maintains accounts payable/receivable, MLS & YAR accounts, financial reports, payroll, purchasing per the budget, preparing quarterly tax reports for state and federal agencies.
12. Help plan, organize, and direct membership promotion and retention programs; evaluate results, and recommend policies, procedures, and action to achieve higher membership goals, collect dues, and terminate delinquent members.
13. Maintain official minutes of the Boards of Directors and other official meetings, and provide security for all files, legal and historic documents and membership mailing lists.
14. Responsible for the planning, promotion and administration of all official meetings.
15. Oversee all communication to the general membership, such as newsletters and general mailings.
16. Keep in close contact with legal counsel in order to stay current on legal matters affecting both the Association and the MLS, and act as liaison between the legal counsel and the Boards of Directors.
17. Establish and maintain working relationships with National, State and Local REALTOR® and civic, political and professional individuals and organizations. Promote the services, members and activities of the Association while projecting a positive image of the Association to those individuals, organizations and the community in general.
18. Attend local meetings with the local and State Associations, district conferences, and National meetings, conferences and conventions, under the direction of the Boards of Directors and disseminate the information to the Boards of Directors and the membership.

19. Handle complaints, problems and conflicts of members and the public, and act as the administrative officer in all such matters that are set before the Grievance and Professional Standards committees.
20. Oversee and assist the orientation committee with the new member orientation seminar and the MLS orientation, including instructors, materials and registrations, and instruct the seminars as needed.
21. Assist the President in selecting committee Chairpersons and assist in determining their purpose and goals.
22. Have a working knowledge of the Association Bylaws, MLS Bylaws, MLS Rules & Regulations, State and National Association of REALTORS® Policies and Code of Ethics, and real estate related laws and regulations on local, state and national issues.
23. Submit membership dues to the State and National Associations on a timely basis.
24. Submit RPAC contributions to the State Association on a timely basis.
25. Understand customer service and the development of value in a Membership-based organization.
26. Maintain regular office hours consistent with the members and the community.
27. Oversee building & landscape maintenance.

### **a. Election of Officers**

Election of Officers will be pursuant of Article V of the YAR Bylaws, which outlines the guidelines for election and qualifications of candidates.

### **b. Election Results**

Voting result counts shall not be disclosed.

## **1.7 Leadership Advancement**

The Yakima Association of REALTORS® wishes to promote and encourage qualified Yakima Realtors in Leadership positions at both Washington Realtors and National Association of Realtors.

Qualifications include but are not limited to:

- Membership in the Yakima Association of REALTORS
- Current or past service on YAR committees
- Current or past service as a YAR board member and or director
- An RPAC investment of at least \$500.00 or higher

Qualified Yakima REALTORS® who wish to serve on WR or NAR committees may state their intention to the YAR board of directors and may be assigned a “Mentor” REALTOR from YAR to help them navigate the committee application process, help them seek their endorsements prior to announcing their candidacy, and help them promote and campaign to raise votes.

Yakima REALTORS® who are endorsed by the YAR board of directors in their candidacy for a leadership position at WR or NAR shall be eligible for up to \$500 in re-imbusement from YAR for campaign expenses.

With approval of our YAR board, the individual will receive the help and encouragement to advance in their Leadership roles.

## **SECTION 2: COMMITTEE / TASK FORCE POLICIES**

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### **2.1 *Standing Rules of Committees and Task Forces***

#### **RULE I: AUTHORIZATION**

**Section 1.** Standing committees of the Board of REALTORS are defined in the Association's Bylaws and can be established or abolished, on the recommendation of the Board of Directors, by the membership.

**Section 2.** Special Committees may be established or abolished by the Board of Directors.

**Section 3.** Task forces may be authorized by the president if an issue warrants immediate attention, subject to ratification by the Board of Directors. Such a task force may be abolished by the Board of Directors.

**Section 4.** Committees and task forces may authorize sub-committees.

#### **RULE II: COMPOSITION**

**Section 1.** The Board shall determine the number of appointees on each committee, unless otherwise stipulated in the Bylaws or policy manual of the Board.

**Section 2.** The President shall determine the number of appointees on any task force.

**Section 3.** The President may solicit appointee nominations and shall appoint task force members.

**Section 4.** The President or president-elect may solicit appointee nominations for committees and task forces from officers, Board directors, committee and task force chairpersons, and members.

**Section 5.** The President shall appoint the chairperson, with the approval of the Board of Directors and may appoint other committee and task force members. Both responsibilities are with the provision(s) that said appointments are not already specifically provided for either in the bylaws or the policy manual of the Board.

**Section 6.** The president-elect shall be responsible for appointing, in consultation with the president, all committee and special committee vice-chairpersons, with the approval of the Board of Directors. This responsibility is with the provision that said appointments are not already specifically provided for either in the bylaws or the policy manual of the Board.

### **RULE III: PARTICIPATION**

**Section 1.** Continuity of committee membership is desirable whenever possible and the president or president-elect, in making appointments, shall endeavor to provide continuity.

**Section 2.** Chairpersons, vice-chairpersons, and members of standing committees shall be members of the Association.

**Section 3.** Chairpersons, vice-chairpersons, and members of special committees shall be members of the Association.

**Section 4.** Ex-officio members shall be deemed to be members because of their positions. Ex-officio members shall be named with the intention to permit, but not require, them to act as members of committees. Therefore, in counting a quorum, they should not be counted as members.

### **RULE IV: ACTIVITIES**

**Section 1.** Committees and task forces shall receive their charges from the president, as approved by the Board. In emergency situations, the president may assign a charge subject to ratification by the Board of Directors. Activities are determined subject to the provision that they are not already specifically provided for in the bylaws of the Association.

**Section 2.** Sub-committees shall receive their charges from the appropriate committee or task force chairperson, as approved by the committee or task force.

### **RULE V: REPORTS AND RECOMMENDATIONS**

**Section 1.** Committees and task forces shall make written reports to the Board of Directors as necessary and defined in this manual under the title Reports. Where appropriate, and/or as requested by the Board of Directors, committees shall present an annual report at the annual meeting of the members.

**Section 2.** Committee and task force reports shall be received and filed or referred to the committee or task force. Recommendations may be handled individually or collectively covering adoption and implementation.

**Section 3.** Committee and task force reports will not be amended by the ruling body without the approval of the committee or task force.

## **RULE VI: FINANCES**

**Section 1.** Committee and task force appropriations, within the constraints of the annual budget, may be authorized and adjusted by the Board.

**Section 2.** Task force appropriations, within the constraints of the annual budget, may be authorized by the president subject to approval of the Board of Directors.

**Section 3.** The chairperson of a committee or task force and the executive office shall be responsible to the treasurer for assuring that the program of the committee or task force is carried out within the constraints of their authorized original or adjusted annual appropriation.

**Section 4.** All committee expenditures are subject to the provisions of this policy manual as concern budgets and financial administration.

## **RULE VII: CONFLICT OF INTEREST**

**Section 1.** No member of the Board of Directors, or any of its Committees, shall derive any personal profit or gain, directly or indirectly, by reason of his or her participation with the Yakima Association of REALTORS®. Each individual shall disclose to the organization any personal interest which he or she may have in any matter pending before the organization and shall refrain from participation in any decision on such matter.

**Section 2.** Any member of the Board, any Committee, or Staff who is an officer, board member, a committee member, or staff member of a client organization or vendor of the Yakima Association of Realtors shall identify his or her affiliation with such agency or agencies; further, in connection with any committee or board action specifically directed to that agency, s/he shall not participate in the decision affecting that agency and the decision must be made and/or ratified by the full board.

**Section 3.** Any member of the Board, any Committee, Staff, and certain Consultants shall refrain from obtaining any list of clients for personal or private solicitation purposes at any time during the term of their affiliation.

## **RULE VIII: CONTRACTS**

**Section 1.** No committee or task force shall sign or cause to be signed any contract binding the Yakima Association of REALTORS® as a party without the permission of the president and subject to the ratification by the Board of Directors. The President and one other Officer of the Association shall have the authority to sign contracts.

**RULE IX:  
RECORDS**

**Section 1.** Each committee or task force shall keep full minutes of all its meetings and the chairperson shall file a copy of the minutes with the Association office within five (5) working days of any meeting.

**RULE X:  
BOARD LIAISON**

**Section 1.** Each committee and task force may be assigned an officer or director ex-officio member and liaison as determined by the president.

**RULE XI:  
STAFF**

**Section 1.** Each committee and task force may be assigned a staff member as available and as determined by the executive officer. An important consideration is to understand the role of the staff and its' relationship to committees. The staff should render all possible assistance but should never assume the committee's prerogative. The staff representative is involved to answer questions, offer suggestions, or raise questions when appropriate. They are expected to be knowledgeable on Association policy, committee scope, and the subject under discussion. They are not, however, to serve as accomplishees of the committee's tasks.

**RULE XII:  
AMENDMENTS, DELETIONS, ADDITIONS OR SUSPENSION**

**Section 1.** These standing rules may be amended, deleted, added to or suspended at a regular or special meeting of the Board of Directors by a majority vote of those present and voting.

*(Adopted prior to 2021)*

**2.2 Selection Criteria for Chairpersons and Vice-Chairpersons**

It shall be the policy of the Yakima Association of REALTORS® that committee, task force, and advisory work group chairs and vice-chairs be carefully selected according to an established set of criteria. These established criteria shall be in effect unless other specific requirements for selection of chairs are specifically mentioned in YAR's bylaws or policy manual.

The committee, task force, and advisory work group chairperson shall be appointed by the President and the President-Elect shall appoint the vice-chairperson, and both shall be based on the following items:

1. The candidate shall display the ability to communicate. Effective communication is a prime ingredient not only with the committee, but also with other committees, the Board of Directors, and related groups.

2. The candidate shall have a record of active participation and interest in YAR's activities, committees, and objectives.
3. The candidate shall display a willingness to listen. He/she should be open minded so is to encourage free expression of ideas, opinions and recommendations by his/her committee or task force members.
4. The candidate shall display the ability to command attention and inspire.
5. The candidate shall display the ability to control without dominating.
6. The candidate shall maintain an acceptable understanding of parliamentary procedure.
7. The candidate shall have a proven record of being a person with initiative.
8. The candidate shall have the respect of his/her peers in the industry.
9. The candidate shall display an understanding of the power relationships within the committee or task force and his/her group's relationship with other committees and task forces.
10. The candidates shall display knowledge in the subject area in which the committee will function.
11. The candidate shall be able to think and act in terms of YAR's overall goals and objectives.
12. The candidate shall display the ability to create the right atmosphere for productive committee or task force action.
13. The candidate shall indicate his/her availability to carry out the responsibilities involved. This includes time and, in some instances, resources.
14. The candidate shall indicate a clear understanding of the position and role of YAR's management staff and a need for a close working relationship.

## **2.3 Responsibilities of Chairpersons and Vice-Chairpersons**

### **ROLE OF THE CHAIRPERSON**

The work of a committee/task force chairperson shall always encompass the missions and goals of the Yakima Association of REALTORS® and shall never be influenced by self aims and personal objectives and he/she shall avoid self-dealings in any matters relating to the Association.

1. He/she should, before each meeting, consult with the Association staff and other key members of the committee in planning the committee's task force's objectives and activities. The entire program of work should be thoroughly reviewed so that individual committee/task force assignments can be effectively made.
2. He/she shall submit to the president for review, prior to the first of January, a complete list of the goals and objectives of his/her committee/task force.
3. He/she shall direct the committee/task force in reviewing and achieving the committee's/task force's objectives. He/she shall be responsible for stimulating group thinking, encourage and channel discussion, weigh the value of expressed ideas and suggestions, summarize constructive suggestions, and seek out decisions.
4. He/she shall insure that accurate minutes are kept, motions recorded, necessary reports prepared, and a record of committee/task force work maintained.
5. He/she is responsible for ensuring that he/she remains constantly informed regarding the progress of individual committee / task force members' assignments.
6. He/she must motivate the members of the committee/task force toward active participation and involvement in committee/task force activities. With the Association and the committee/task force objectives in mind, he/she must channel the interests and talents of individual committee/task force members into productive efforts and insure the necessary follow-up action.
7. He/she shall be responsible for having a thorough knowledge of the Board's policies regarding committee/task forces, including standing rules, committee/task force finances and committee/task force reports.
8. He/she shall select sub-committee chairpersons and provide said chairperson with his/her sub-committee charge with the approval of the full committee/task force.
9. He/she shall be familiar with the events of other committees to avoid duplication.
10. He/she shall continually review and evaluate his/her own procedures and the committee's program and progress.
11. He/she shall accept all responsibilities as assigned by the President.

12. The Chairperson will serve at the pleasure of the President and may be removed by the President subject to the approval of the Board of Directors.
13. The Chairperson will submit a monthly written report using the Committee/Task Force Meeting Results Report to the President Elect, Standing Committee Chair, and the Executive Officer one week prior to the Board of Directors meeting.

### **ROLE OF THE VICE-CHAIRPERSON**

1. The work of the committee/task force vice-chairperson shall always encompass the missions and goals of the Association of REALTORS® and shall never be influenced by self-aims and personal objectives and he/she shall avoid self-dealings in any matters relating to the Association.
2. The committee/task force vice-chairperson shall be prepared to act as the chairperson in the event of his/her absence or incapacity, with all the powers and duties of the chairperson.

## **2.4 Selection Criteria for Committee Members**

One of the purposes of the Association is to develop unified positions through the involvement of its members. It is highly important that the Board review the involvement of its members; however, not at the expense of quality work on the part of its committees. The very best people should be arrived at with the assistance and recommendation of the staff, while at the same time attempting to receive new member involvement so that there is an avoidance of overworking those who have contributed over a period. The composition of certain committees is mandated in the bylaws and/or policy manual of the Board. Others, on the other hand, are stated to have such size and composition as is necessary to accomplish the objectives of the committee. When such is the case, members will be appointed to committees with the following general guidelines:

1. Individuals who display an interest in the activities of the Association as well as demonstrate a capacity or aptitude for the tasks of a particular committee.
2. Consideration may be given for representation from different sizes of firms and/or areas of expertise to generate different viewpoints and achieve a well-rounded group.
3. To ensure continuity, it is valuable to retain certain members who have previously served on the committee, while encouraging new participation.

## **2.5 Responsibilities of Committee Members**

While the duties of the individual committee/task force member may vary, there are certain basic responsibilities which every committee task force member inherits when he/she accepts a committee/task force appointment within the Association.

1. The work of a member of a committee or task force shall always encompass the missions and goals of the Association of REALTORS® and shall never be influenced by self-aims and personal objectives and he/she shall avoid self-dealings in any matter relating to the Association.

2. He/she shall acknowledge immediately all communications regarding committee work.
3. He/she shall determine his/her availability for committee meetings and inform the chairperson or staff as soon as possible.
4. He/she shall insure that his/her organization's superiors are fully aware of his/her responsibilities and commitments for meetings.
5. He/she shall get acquainted with the chairperson and vice-chairperson and other committee/task force members early in the session.
6. He/she shall thoroughly review all pertinent background material and the agenda before coming to meetings.
7. He/she shall take an active part in all discussions.
8. He/she shall be prepared to readily make available to other members of the committee all personal experience directly related to a subject or problem under discussion.
9. He/she shall have an understanding and respect for other ideas and conflicting viewpoints.
10. He/she shall attack all problems objectively and impersonally.
11. He/she, during the course of meetings, shall stay on the subject under discussion.
12. He/she shall always ask for clarification on any point or problem not fully understood.
13. He/she shall accept and follow through on assignments as requested by the chairperson or committee/task force.

## **2.6 Executive Committee**

**Purpose:** To conduct the affairs of the Association in accordance with the policies and instructions of the Board of Directors.

The President, or chair, is empowered to form special committees, task forces, work groups, advisory work groups and Presidential Advisory Groups (PAGs) to accomplish the objectives of the strategic plan and to address issues, programs and activities within the adopted policies and budget.

The Executive Committee is responsible for ensuring that the Association's overall goals are met. The Executive Committee's agenda should focus on YAR's strategic initiatives and oversight of allocation processes and results. The Committee shall review all standing committee actions.

**Composition:** The Executive Committee shall consist of the President, President-Elect, Secretary / Treasurer, and Immediate Past President. In addition, the Association Executive shall serve in ex-officio, non-voting capacity.

**Areas of Responsibility:**

- i. Regularly review the actions and status of all committees and approve the committee actions when necessary. Give direction to committees as necessary based on the Association's strategic plan. The President may appoint other Executive Committee members to serve as resources to committees as needed.
- ii. Make budget adjustments as necessary and as recommended provided they do not exceed one percent (1%) of the annual budget or reduce the operating reserve below that required by the financial policies.
- iii. Provide budget oversight of all programs as outlined in the budget policies.
- iv. In collaboration with the Association Executive, oversee the day-to-day affairs of the Association.
- v. Conduct an annual review of the AE.
- vi. Update the Board of Directors as soon as possible following the meeting and ensure that all Executive Committee minutes are published within thirty (30) days of each Executive Committee meeting.
- vii. Receive the recommendations of the Nominations Committee and approve the final recommendation to be forwarded to the Board of Directors.
- viii. Must meet in advance of the Board of Directors meetings.

**Committee Procedures:**

Meetings shall be chaired by the President and conducted in accordance with the Bylaws and the intent of Standing Rules for the Board of Directors.

The Committee, acting within its delegated authority, may take action between meetings of the Board of Directors as necessary to satisfy its responsibilities and conduct the affairs of the Association. This includes, but is not limited to, the authority delegated to the committee in the Yakima Association of REALTOR® Policy Manual.

In addition, the Committee shall review progress of the Association, including work of standing and special committees, task forces, administration and periodically report its findings, conclusions and recommendations.

The Committee has the authority to change their internal procedures at any time, so long as those changes are consistent with Board policy.

## **2.7 Finance Committee**

**Purpose:** To serve as an advisory committee concerning budgeting and planning utilization and control of financial resources.

**Composition:** The Committee shall be comprised of the Treasurer, who shall serve as chair, the President, the President – Elect, two (2) Board Members, the AE and Financial Administrator as non-voting Ex-Officio members..

### **Areas of Responsibility:**

- i. Prepare future income and expenditure projection estimates with the Association Executive.
- ii. Prepare the proposed annual income and expenditure budget(s) with the Association Executive.
- iii. Review adjustments made in the budget(s) with the Association Executive.
- iv. Review all proposals affecting financial condition with the Association Executive.
- v. Review the financial status with the Association Executive at regular and special meetings of the committee.
- vi. Annually, review and evaluate the process of planning, utilization, and control of Association financial resources.
- vii. Review cash resources investment practices with the Association Executive.
- viii. Review the annual financial review, compilation, or audit with the Association Executive.
- ix. Report as necessary on all of the above to the President, Executive Committee and Board of Directors.
- x. Submit proposed annual budget to the Executive committee for review and recommendation to Board of Directors for final approval.
- xi. Oversee REALTOR® Building, including appropriate insurance amounts.

### **Committee Procedures:**

The Committee has the authority to change its internal procedures at any time, so long as those changes are consistent with Board policy.

## **2.8 Association Operations Committee**

**Purpose:** Assure a stable, but flexible structure of governance to keep the Association focused on the needs of the members.

The Chair is empowered to form special committees, task forces, and advisory work groups to accomplish the objectives of the strategic plan and to address issues, programs and activities within the adopted policies and budget.

The Committee will be held responsible for providing input consistent with the Strategic Plan, Policy and Bylaw Review, and Compliance. A special task force for Installation Planning and Annual Meeting/Luncheons will be held under this committee.

A special **Strategic Planning Task Force** will be formed each year and will be chaired by the President-Elect. Members of the task force will be appointed by the President. This task force will no less than two (2) and no more than four (4) times per year to review and revise the Strategic Plan, as per NAR Core Standards guidelines.

**Composition:** The Committee will consist of at-large members and the chairs and vice chairs of the two event tasks forces.

**Areas of Responsibility:** Internal operational areas of the Association, including governance, governing documents, and assist with leadership development and training. Ensure that all governing documents are updated after each change has been approved by the Board of Directors.

**Committee Procedures:**

The Committee and its task forces have the authority to change its internal procedures at any time, so long as those changes are consistent with Board policy.

## **2.9 Membership Committee**

**Purpose:** Address strategies, programs, and basic capacities of Association business practices through its own direct action or by the creation of special committees, task forces and advisory work groups.

The Chair is empowered to form special committees, task forces, workgroups and advisory work groups to accomplish the objectives of the strategic plan and to address issues, programs and activities within the adopted policies and budget.

The Committee will be held responsible for providing input consistent with the shared focus as directed by the Executive Committee.

**Composition:** The Committee will consist at-large members and the chairs and vice chairs of the special committees.

**Areas of Responsibility:** Oversee and be responsible for the committee operations that relate to the Association's relationship with its members, including recruitment, member engagement, member services and benefits, New Member Orientation, awards, and Young Professionals Network. Develop a business plan and budget for these areas of responsibility.

**Committee Procedures:**

The Committee has the authority to change their internal procedures at any time, so long as those changes are consistent with Board policy.

## **2.10 Diversity Committee**

**Purpose:** Assure a commitment to Diversity, Equity and Inclusion in the association and industry by developing and promoting strategies, programs, and member engagement. The Committee will provide input to the Executive Committee consistent with the YAR strategic plan.

**Composition:** The Committee shall be comprised of a Chair and Vice Chair plus members who shall serve for full two-year terms. The Chair will be appointed by the President.

**Areas of Responsibility:** Oversee and be responsible for promoting Diversity, Equity and Inclusion within the Association, including member engagement, education, mentorship, and community engagement. Develop a business plan and budget for these areas of responsibility.

**Committee Procedures:** The Committee has the authority to change their internal procedures at any time, so long as those changes are consistent with Board policy.

## **2.11 Public Relations Committee**

**Purpose:** To promote and communicate the goals and politics of the REALTOR® movement through appropriate programs and methods to the public and to the Real Estate Community.

**Composition:** The Committee shall be comprised of a Chair and Vice Chair plus members who shall serve at-large.

**Areas of Responsibility:** Oversee and be responsible for ensuring timely issuance of news releases on Association activities; act as a liaison with radio, television and newspaper media; arrive at programs that create an awareness of the professional requirements for persons engaged in the industry, professional designation programs available to REALTORS®, awareness of the REALTOR® Code of Ethics and Professional Standards; actively seek out opportunities for board members to speak on the programs of the Association and real estate industry, and acquaint the public on the difference between a REALTOR® and a non-REALTOR®.

**Committee Procedures:** The Committee has the authority to change their internal procedures at any time, so long as those changes are consistent with Board policy.

## **2.12 Government Affairs**

**Purpose:** To coordinate and promote legislation which recognizes private property rights and the interest of the real estate industry, and to defend against legislation which is detrimental to industry rights and interests; to promote and strive for the improvement of government by encouraging and stimulating REALTORS® to take a more active and effective part in governmental affairs; encourage the understanding of the nature and actions of government as to important political issues, candidates and office holders. The Committee vets and engages with candidates with an eye towards making endorsements and when appropriate, committing funding to their campaigns. In addition, they consider the Independent Expenditure (IE) process and receive recommendations from members to apply this tool to appropriate issues and candidates as only GA-approved candidates can receive IE support.

The Committee will be held responsible for providing input consistent with the Strategic Plan as directed by the Executive Committee.

**Composition:** The Committee shall be comprised of a Chair and Vice-Chair plus members who shall serve at-large.

### **Areas of Responsibility:**

- i. Keep informed on Washington REALTORS® Government Affairs by attending the State GA conference call sessions, every other Friday during the general session.
- ii. Encourage REALTORS® to take a more active role in political issues.
- iii. Attend meetings regarding our local candidates.
- iv. Be part of task forces formed in the event a local issue should occur.
- v. Take the opportunity to join us at Hill Day in Olympia, WA to talk to our local legislators about key issues.
- vi. Become a key contact for one of our local legislators.
- vii. Conduct forums, candidate interviews, and consider endorsements and funding for campaigns that reflect the mission of the Association.
- viii. Receive proposals for Independent Expenditure support from members, and make recommendations as to whether to proceed and make application or to decline. IE support can only be given to GA-endorsed candidates and issues.

**Committee Procedures:** The Committee has the authority to change their internal procedures at any time, so long as those changes are consistent with Board policy.

### **2.13 REALTORS® Political Action Committee**

**Purpose:** To coordinate the political affairs and REALTOR® PAC functions of the Association. The Committee is empowered to form special committees, task forces, and work groups to accomplish the objectives of the strategic plan and to address issues, programs and activities within the adopted policies and budget.

**Composition:** The Committee shall consist of a chair, vice-chair, and members at-large.

**Areas of Responsibility:**

- i. Finding Affiliate members to sponsor RPAC events.
- ii. Promote the Major Investor and President's Club programs as well as getting Association members to the next investment level through our Annual RPAC Phone Bank.
- iii. Plan and execute our Annual RPAC Informative Event.
- iv. Plan and execute our Annual RPAC Appreciation Event to appreciate our RPAC Major Investors and Valued Sponsors.
- v. Discover innovative new ways to raise funds for RPAC.

**Committee Procedures:**

The Committee has the authority to change their internal procedures at any time, so long as those changes are consistent with Board policy.

### **2.14 Grievance & Professional Standards Committee**

**Purpose:** Address strategies, programs, and issues regarding the enforcement of the Code of Ethics, and maintain policy and procedures as outlined in the *Code of Ethics and Arbitration Manual* of the National Association of REALTORS®.

**Composition:** The Professional Standards Committee is a standing committee within the Operations core subject area composed of at-large members plus a Chair and Vice-Chair who will be appointed by the President and President-Elect. Committee members shall be selected by the Grievance & PS Committee Chair, with approval by the President.

**Qualifications:**

- Members must attend a REALTOR®-sponsored professional standards procedure training annually or within the previous twelve (12) months. Failure to complete the training as specified will result in removal from the committee.
- Chair will utilize the balance of recommendations outlined under "Qualification for Tribunal" in the Code of Ethics and Arbitration Manual.

**Areas of Responsibilities:** Recommend policy amendments to comply with NAR requirements and changes to the NAR *Code of Ethics and Arbitration Manual*, coordinate training opportunities/programs, address issues and concerns pertaining to the enforcement of the Code of Ethics and respond and/or communicate with NAR with state concerns as deemed appropriate, enforcement of the Code of Ethics policy and procedures as outlined in the *Code of Ethics and Arbitration Manual*. Develop a business plan and budget for these areas of responsibility.

**Committee Procedures:**

The Committee has the authority to change their internal procedures at any time, so long as those changes are consistent with Board policy.

## **2.15 Education Committee**

**Purpose:** To develop and administer a well-balanced program of education that services the educational needs of the membership through various programs and recommendations.

**Composition:** The Committee shall be comprised of a Chair and Vice-Chair plus members who shall serve at-large.

**Areas of Responsibility:** Oversee and be responsible for ensuring relevant education and designation opportunities for the members of the Yakima Association of REALTORS®.

**Committee Procedures:** The Committee has the authority to change their internal procedures at any time, so long as those changes are consistent with Board policy.

## **2.16 Special Events Committee**

**Purpose:** To be responsible for some of the largest and most successful events and fundraisers that the Association organizes.

**Composition:** The Committee shall be comprised of a Chair and Vice-Chair plus members who shall serve at-large.

**Areas of Responsibility:** Oversee and be responsible for event planning and fundraising. This committee is a combination of the following task forces committee members choose from:

- i. Installation and Awards Banquet Task Force - be a part of the planning and execution of our annual banquet.
- ii. Scholarships Task Force - plan and execute an event to raise money for the Scholarship Fund; choose who will receive the YAR scholarships among numerous applications.
- iii. Golf Tournament Task Force - plan, find sponsors for and execute the YAR Annual Golf Tournament
- iv. Sunshine Task Force - plan and execute two feed style events to raise money for our Sunshine Fund, which goes to help REALTOR® members in need; distribute the funds in the form of flowers, cards, cash, etc.

**Committee Procedures:** The Committee has the authority to change their internal procedures at any time, so long as those changes are consistent with Board policy.

## ***2.17 Litigation Management and Notification***

### **Notification of Legal Matters**

The Association Executive shall notify the Board of Directors upon receipt of either (1) a complaint or summons naming Yakima Association of REALTORS® as a defendant; or (2) a written communication from a government agency stating that Yakima Association of REALTORS® may be in violation of law or is subject to an investigation.

The Association Executive shall also notify the Board of Directors prior to filing any litigation relating to the operations, management, or other internal functions of Yakima Association of REALTORS®. The Board of Directors shall be notified at regular Board meetings of the status of legal matters subject to the notice provisions of this section.

### **Notification and Approval of Settlements**

The Board of Directors shall be notified of the settlement of any legal matter subject to the notification provisions of this section. The Board of Directors has full authority to approve the settlement of any legal matter.

## **SECTION 3: FINANCIAL POLICIES**

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### **3.1 Budget Process**

The Treasurer is responsible for preparing the Budget in a program format. The Association Executive and staff do most of the actual work of assembling the data and placing it in proper form. Once assembled the Finance Committee provides the detailed review and approval prior to submission to the Executive Committee and Board of Directors. Business plans should state whether the designated funds are expected to be spent and if so, how they will be spent, in order for proper allocation.

An annual budget will be prepared for each fiscal year. The annual budget cycle will commence in the prior year. No later than April 30th the Treasurer will issue a budget call to each of the Committee Chairs and staff, which will include a list of the fixed and discretionary funds allocated the previous year.

Each Committee Chair and Vice-Chair will work with their committee(s) to prepare an initial draft budget that is based on the goals and objectives of the Strategic Plan and specific business plans for the following year. The Association Executive and Committee Chairs and Vice-Chairs will meet following this meeting to prepare estimated costs and resource needs to carry out the plan. It is the responsibility of each Committee Chair and Vice-Chair to keep the Association Executive informed of this process. The Finance Committee will meet to review the draft budgets from each of the Committees. It is the responsibility of the Finance Committee to present one overall budget to the Executive Committee.

If during the course of the year, a special committee recommends a program or activity that is within the approved budget, the full committee can approve the recommendation from the special committee; or the full committee may delegate authority to a special committee to spend funds on ongoing programs.

Since it is the responsibility of the Executive Committee to approve the final business plans for each program, it is also their responsibility to prepare the final draft of the budget. The Executive Committee will make the necessary policy and political decisions to the proposed program budgets.

The final draft of the budget, as recommended by the Executive Committee, will be sent to the Board of Directors at least one (1) week in advance of their meeting. The Board of Directors may amend the proposed budget, if necessary, prior to final approval.

The Association President-Elect should be an integral part of the budget process throughout their term of office and should attend as many of the Finance Committee meetings as possible.

### **3.2 Budget Guidelines for Committees**

The following shall be the guidelines concerning the requesting, appropriation, allocation, and disbursement of standing and special committee funds:

1. There may be an appropriation within the annual general budget for the activities and/or programs of the various committees and subcommittees.
2. The committee chairpersons may submit an appropriations request, accompanied by justification and proposed budget if possible, for the coming year to the Finance Committee.
3. Any committee appropriation request shall be subject to review and approval by the Finance Committee.
4. Any disbursements of funds related to committee activities shall be subject to Board monetary policies.

### **3.3 Annual Budget Timeline**

**January/February:** The Finance Committee conducts a training session for leadership covering the budget process and development at the annual Leadership Retreat.

**April:** The Treasurer issues a budget call for the next fiscal year to each of the Committees. Committees will incorporate budget requests in their proposed Business Plans.

**May:** Each Committee Chairs will work with their Committee(s) to prepare an initial draft budget that is based on the goals and objectives of the Strategic Plan and specific business plans for the following year.

**June/July:** Committee budgets and Business Plans are forwarded to the Finance and Executive Committees. Executive Committee will then make a final prioritization and forward these to the Finance Committee for budget development.

**July/August:** The Finance Committee will review the draft budgets from each of the committees then, based on the Executive Committee's prioritization, merge them into one comprehensive program-based budget for presentation to the Executive Committee and Board of Directors.

**September:** The final draft will be sent to the Board of Directors at least one (1) week in advance of their meeting. The Board of Directors may amend the proposed budget, if necessary, prior to final approval at the meeting.

**January 1<sup>st</sup>:** Budget cycle commences.

### **3.4 Cash Handling Policy**

The purpose of this policy is to limit the Association's liability with regards to how the cash is handled and to insure there is a clear separation of duties regarding the handling of cash.

1. Mail is opened by the front desk staff person, then all checks are removed and put in a desk drawer envelope to be processed later that day.
2. Payments received in person at the office are received by the Front Desk staff person, or another person acting as receptionist during the Front Desk's absence.
3. Any member paying with cash is given a written receipt of the cash.
4. Once received, cash or checks are then kept in a desk drawer until they are receipted in and recorded in Quickbooks by the Financial Administrator later that day or first thing the next morning (any cash or checks not processed that day will be kept in a locked firesafe cabinet overnight).
5. Credit card payments are processed by available staff. Transaction receipts are kept in an envelope and then processed the next morning and reconciled to the daily transaction transmittal (these receipts are kept in a locked firesafe cabinet overnight).
6. All cash & check deposits are made by the Association Executive and reconciled to match the payments received. The deposits are recorded in Quickbooks, a deposit slip is made out, copied and kept in the file cabinet along with a print-out of the deposit record. These cash or check deposits are kept in a locked firesafe cabinet and delivered to the bank within three (3) business days. Credit card payments are reconciled in QuickBooks and a copy of the transmittal and deposit record are kept in the file cabinet.
7. All invoices or accounts payable, are kept in a folder "Bills to Be Paid" in the Financial Administrator's Office. Checks are made out weekly by the Financial Administrator to cover any outstanding invoices. The checks are then reviewed and signed by the Association Executive and one of the other officers, usually the Treasurer. The Financial Administrator then mails the checks out. All checks require two (2) signatures and there are (4) signatories on each of the Association bank accounts.
8. All checks and deposit books are kept in a locked cabinet.

#### **CREDIT CARD & ELECTRONIC FUND TRANSFER (EFT) PAYMENTS**

The following statements will be presented to one of the other officers, usually the President, Treasurer for review. These statements will be signed, dated, and filed with accounts payable:

- Credit card statements with General Ledger Report and any receipts
- EFT with invoice and receipt.
- Bank account reconciliation.

### 3.5 Document Retention

The purpose of this policy is to be certain that all necessary documents for the Yakima Association of Realtors be maintained and stored on paper for the appropriate number of years, as required by state statute, or recommended by the National Association of Realtors. The reason to keep the documents is to reduce the association's liability regarding any litigation that might be brought against the Association. The association has less liability if they can demonstrate that they have a document retention policy in place, and that it is enforced by the association.

The following documents of the Yakima Association of Realtors will be stored in the office of the Association Executive for the period of time indicated.

Description (alphabetically)	Retention Period
Accident Reports and Claims (settled cases)	7 years
Accounting records, other than Accounts payable ledgers and schedules and Accounts receivable ledgers and schedules	7 years
Accounts payable ledgers and schedules	7 years
Accounts receivable ledgers and schedules	7 years
Audit reports of accountants	permanently
Bank reconciliations	4 years
Capital stock and bond records; ledgers, transfer registers, stubs showing issues, record of interest coupons, options, etc.	permanently
Charts of accounts	permanently
Checks (canceled but see exception below)	7 years
Checks (canceled for important payments, i.e., taxes, purchases of property, special contracts, etc. [checks should be filed with the papers pertaining to the underlying transaction])	permanently
Contracts and leases (expired)	7 years
Contracts and leases still in effect	permanently

Correspondence (routine) with members, customers, or vendors	4 years
Correspondence (general)	4 years
Correspondence (legal and important matters only)	permanently
Deeds, mortgages, and bill of sale	permanently
Depreciation schedules	permanently
Duplicate deposit slips	4 years
Employee personnel records (after termination)	7 years
Employment applications	3 years
Expense analyses and expense distribution schedules	7 years
Financial statements (end-of-year, other months optional)	permanently
Forms, Superseded	7 years
General and private ledgers (and end-of-year trial balances)	permanently
Insurance policies (expired)	3 years
Insurance records, current accident reports, claims, policies, etc.	permanently
Internal reports (miscellaneous)	3 years
Registration materials for conferences and education courses, including rosters and class materials	3 years

**Destruction of Sensitive Financial Information of Members:**

Certain records described in the Records Retention Schedule above may contain sensitive financial information of Members, such as banking and/or credit card account information. Notwithstanding the above Records Retention Schedule, the Association may redact or remove such sensitive financial information of Members from any Association record or destroy it as long as the Association retains evidence of the transaction for which the sensitive financial information was used; except that any sensitive financial information of Members that is the subject of a government investigation or is subject to a litigation hold must be preserved.

**3.6 Other Financial Policies****Reports:**

The Treasurer and the Association Executive shall present a financial status report, a budget status report, and such other reports as deemed appropriate to the Finance Committee, Executive Committee and Board of Directors at each scheduled meeting.

The Auditor shall present a financial audit or review annually to the Board of Directors at the conclusion of each fiscal year. The scope of the audit shall be the responsibility of the auditor(s) to embrace areas of special interest or concern.

**Dues/Assessments:**

The level of dues and any assessments shall be established as described in the bylaws and/or policy. The frequency of dues or assessment collection shall be established in the bylaws and/or policy guidelines. The method of collection processing and recording of dues and/or assessment receipts shall be determined by the Association Executive with the exception that dues will be prorated for new members on a quarterly basis. Dues shall not be refundable.

**Insurance:**

The levels and limits of all association insurance protection plans shall be reviewed by the Association Executive and the Treasurer annually and approved by the Executive Committee.

**Accounting/Bookkeeping:**

The accounting and bookkeeping procedures shall be determined by the Association Executive, in consultation with the accounting firm.

**Building Maintenance:**

Ordinary and necessary repairs/maintenance to building and grounds that do not enhance property value shall be paid from the building repair and maintenance account within the annual operating budget.

**Staff Compensation:**

The Association Executive's compensation shall be determined between the Association Executive and the Executive Committee. Individual staff salaries shall be determined by the Association Executive, subject to the Annual Budget.

**Budget Disbursement/Adjustments:**

The Association Executive shall authorize the disbursement or transfer of any funds in accordance with the adopted budgets or other policies.

Budget appropriation adjustments within a department may be authorized by the Association Executive, as long as such adjustments are reported to the Treasurer and do not include member reimbursements, program cost overruns, non-budgeted programs, and do not affect the total amount of the department appropriation.

Budget appropriation adjustments between Departments may be authorized by the Association Executive with the approval of the Treasurer as long as such adjustments are reported to the Finance Committee and Executive Committee and do not affect the amount of the total budget appropriation.

The Finance Committee will review the operating budget at each meeting as to whether budget adjustments are needed. Adjustments will be referred to the Executive Committee and Board of Directors for approval.

The Executive Committee may approve new budgetary line items not to exceed (one) 1% of total operating budget.

**Unexpended Funds Balances:**

Fiscal year-end balances shall be appropriated at the discretion of the Board of Directors.

**Employee Pension Plan:**

It is the policy of the Association to maintain a defined contribution pension plan for the benefit of the employees. Any modifications and/or administrative arrangement adjustments shall be made only with the authorization of the Executive Committee.

**3.7 Contract Guidelines**

The signing of contracts will be coordinated between the Association Executive and General Legal Counsel and presented to the Board of Directors for approval.

Contracts shall be signed by the President or the Treasurer and the Association Executive, except that the Association Executive may sign contracts for budgeted items.

**3.8 Purchase Guidelines**

The following shall serve as guidelines concerning purchases:

1. All purchases shall require prior authorization by the Board of Directors unless the necessary funds were appropriated in the annual operating budget or expenditures authorized by the Finance Committee.

2. All purchases authorized by the Board of Directors through appropriations in the annual operating budget and the Designated funds shall be in accordance with the following:
- A) Purchases Under \$5,000:
    - All Purchases Requisitions shall be approved by the Association Executive Officer or his/her designee.
  - B) Purchases over \$5,000:
    - All purchases in excess of five thousand (\$5,000) dollars will be on a competitive written bid basis. If a competitive bid is required, at least three vendors will be contacted for bids. The order will be issued to the low bidder, provided he/she is consistent with quality and service.
    - The Association Executive or his/her designee may elect to obtain competitive bids on purchases under five thousand (\$5,000) dollars or to combine several requisitions into one order.
    - The Association Executive may authorize non-competitive bid purchases where there is a compelling reason to use a negotiated price method.
    - Emergency purchases may be verbally authorized by the Association Executive.
  - C) *Equipment and Capital Improvements Capitalization Policy*
    - *The threshold for capitalization of fixed asset expenditures is \$5,000.00 on a per item basis. All individual items greater than this limit would be capitalized and purchases less than this limit would be expensed through current operations.*

### **3.9 Travel Policy**

Payment of travel expenses will be made as funds permit and at the discretion of the Board of Directors of the Yakima Association of REALTORS®. If a travel advance is made, any unspent allowance must be returned to YAR within 60 days after incurring the expense.

Officers, Directors, Committee Chairpersons, or any member of YAR may request reimbursement under the same policy for special meetings if not already covered by another policy. Written request for reimbursement should be approved by the Board of Directors prior to attendance. Request should state number of days of proposed attendance and proposed meetings to attend. Approval will be at the discretion of the Board of Directors on a case-by-case basis, with authority to raise (or lower) the per diem as needed and as budget allows.

If any special meetings are called after the Board of Directors meeting and prior to the next Board meeting, authorization can be obtained by contacting all or a majority of the Board of Directors of the Yakima Association of REALTORS® and obtaining approval for expenses from a majority of the Directors.

Except where otherwise noted, payment for authorized trips will be paid on the basis of actual meeting days, not for any time spent before or after the actual meeting days for other business or pleasure.

The Association Executive of the Yakima Association of REALTORS® will be allowed payment of actual expenses incurred, receipts required, limited to the cost of travel to and from, any registration fees, lodging and meals to attend the three WR Assemblies, Leadership Retreat, and other meeting that the board of Directors deem necessary.

Request for payment of travel expenses must be submitted on an expense voucher and state the full name of the meeting attended and list the days of actual meeting attendance. Request for reimbursement for WR Assemblies must be accompanied by a Travel Report Form. Expense Voucher should be initialed prior to reimbursement by a YAR officer that attended the same Assembly. Actual auto expenses will not be paid in addition to the Standard IRS Business mileage. Request for reimbursement must be received no later than 60 days after the meeting.

*It is to be noted that the MLS Board of Directors shall continue to pay for their current President to attend the National Convention, or other meetings, if and as they see fit. This follows the policy of keeping the internal activities of the MLS and YAR separated.*

#### **Board Approval Not Required:**

Stipends will be granted without board approval to Washington REALTORS® (WR) State Directors, WR State Committee Members, WR Task Force/Working Group Members, & WR State Legislative Key Contacts. State Directors will be reimbursed for attending the required WR Board of Directors Meeting at the conclusion of each conference.

Stipends will also be granted without Board approval for YAR Board Members and Committee Chairs for the following WR Events only:

- Hill Day
- Spring Business Conference
- Fall Business Conference

**Qualifications:**

Anyone receiving the stipend must attend at least two (2) Committee Meetings per day in order to qualify for reimbursement for each day the stipend is requested.

Stipends will be \$200 per night spent with a 3-night cap and are to be used to cover all expenses including but not limited to, hotel bills, travel expenses, registration expenses, food, etc. Most events commence Wednesday mornings and end either Thursday at 5 or Friday around noon and therefore most members will need to arrive on Tuesday afternoon or evening in order to be there by 8 or 9 AM, and will need to stay over Thursday night. In the interest of safety, we want to discourage people from driving long distances (sometimes over snowy passes) at all hours of the morning to arrive on time or night after being in meetings for a full day. If members choose to do so it is their own decision. If a member is only staying for one day, they will receive the \$200 and their registration paid. An example of the stipend is as follows:

- Stay 1 night = \$200 & Registration Paid.
- Stay 2 nights = \$400
- Stay 3 nights = \$600

The maximum stipend is \$600 for each of these events.

This stipend plan is to encourage members to defray their costs by carpooling, doubling up in rooms where appropriate, eating at reasonably priced restaurants, etc.

**Board President & President-Elect:**

Board President & President-Elect are expected to attend the following events and therefore will be reimbursed per the guidelines of the Yakima Association of REALTOR® Member Travel Policy and Procedures for Travel Outside of WR Meetings, whether in State or out of State, as follows:

- WR Hill Day: President
- WR Spring Business Conference: President
- NAR Legislative Session, Washington DC: President
- NAR Leadership Summit, Chicago: President-Elect
- WR Fall Business Conference: President
- WR Leadership Training: President-Elect
- NAR Conference & Expo: President-Elect

**Non-Board Association Members:**

We believe participation leads to a stronger Association. To encourage active participation among the members of our Association, any member (including Board Members where stipend is not automatic as listed above) can ask the Board for approval to receive the stipend so long as they do so in writing (email is allowed), submitted to the Association Executive within 4 business days prior to the YAR Board meeting before the event in question. There will be no retro-active reimbursement.

All requests for reimbursement must be sent to Association Executive in writing within 30 days of the conference ending & must include the attached Travel Form. The Association Executive will follow this policy, but ultimately will have final approval for all requests.

All members receiving any reimbursements may be issued a form 1099 report for miscellaneous income after year end for total annual stipends received by the member to be reported as earnings on your tax returns.

### **3.10 Expense Reimbursement Procedure**

The following shall serve as guidelines concerning expense reimbursements:

#### **Expense Reimbursement Approval:**

Only expenses related to authorized Association business budgeted for through annual budget adopted by the Board of Directors and other policies shall be reimbursable. The Treasurer shall authorize the reimbursement of the Association Executive expenses and the Association Executive shall authorize the reimbursement of the expenses of others in accordance with Board of Directors adopted policies.

#### **Expense Recipients:**

The following shall be authorized expense reimbursement recipients:

- Staff Members
- Committee Members
- Directors
- Others (as authorized by policy action).

#### **Expense Reporting and Documentation:**

Expenses shall be reported on prescribed voucher forms and documented with receipts whenever possible before being reimbursed. All expense reimbursement requests for a particular fiscal year must be received prior to December 31 of that fiscal year.

#### **Reimbursable Transportation Expenses:**

Reimbursable modes of transportation shall be economy airfare, where available; automobile mileage at the rate allowed by the Internal Revenue Service (for driver only); airport transfer, ride share (e.g., Uber), bus and taxi. All travel shall be accounted for as required by IRS guidelines. Reimbursement of travel expenses is for actual dollars with receipt - no reimbursement for frequent flyer miles is allowed.

Committee member expenses related to automobile mileage while on authorized committee business shall be in accordance with adopted policy and budget if prior approval for such reimbursements is received by the Committee Chair from the President.

#### **Reimbursable General Expenses:**

Reimbursable expenses shall be Transportation (specified on the previous page); Parking (moderately priced); lodging; meals; gratuities; registration fees and other normally accepted business-related expenses authorized by the Association Executive in accordance with the adopted policies and the annual budgets.

## **SECTION 4: GENERAL OPERATIONS POLICIES**

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### **4.1 Whistle Blower Policy**

The purpose of this policy is to encourage reporting of violations of state, federal, or local laws maintain confidentiality and prohibit retaliation.

If an employee of the Yakima Association of REALTORS® has information which s/ he reasonably believes identifies a violation of state or federal law, the employee "whistleblower" should contact his/her immediate supervisor, the Association President, President-Elect, or the Association General Counsel.

Employees are also permitted to contact the appropriate law enforcement or government agency. The employee must exercise sound judgment to avoid baseless allegations. An employee who intentionally files a false report of wrongdoing will be subject to discipline up to and including termination.

#### **Confidentiality:**

The confidentiality of the whistleblower will be maintained to the extent possible. The identity may have to be disclosed to conduct a thorough investigation, to comply with the law or to provide accused individuals their legal rights of defense.

#### **Retaliation:**

The Association will not retaliate against a whistleblower or any employee who refuses to participate in an activity that would result in a violation of state, federal or local law.

This includes, but is not limited to, protection from retaliation in the form of an adverse employment action such as termination, compensation decreases, demotion, or poor work assignments and threats of physical harm.

Any employee who believes s/he is being retaliated against must contact the Association President, President-Elect, or the Association General Counsel immediately. The right of a whistleblower for protection against retaliation does not include immunity for any personal wrongdoing that is alleged and investigated, or disclosures that would constitute a violation of the attorney-client privilege.

### **4.2 Zero Tolerance Harassment Policy and Appeal Process**

The Yakima Association of Realtors® has adopted Section 6.12 in its official Bylaws to combat the harassment of Association or MLS employees, or Association Officers or Directors in order to promote a professional and collegial working environment for staff and Members of the Association, all of which serves to promote the best interests of the Realtor community and the public which it serves. Each individual protected by YAR's Anti-Harassment Bylaw has the right to function and work in a professional atmosphere that promotes professionalism and prohibits harassing conduct. Harassment, either intentional or unintentional, is a form of discrimination which YAR does not tolerate.

#### **Definition of Harassment**

For purposes of this policy, the term "harassment" is set forth in Section 6.12 of YAR's Bylaws.

### **Individuals Covered Under the Policy**

This policy covers all members of the Association. Staff, Board Officers and/or Board Members experiencing harassment are encouraged to report all incidents of harassment, regardless of who the offender may be, or of the offender's relationship to YAR. It is encouraged, but not required, that the complainant notify the harasser that his or her conduct is offensive, and that the harasser may be subject to discipline as set forth in this policy and Section 6.12 of the Bylaws. With regard to reporting incidents of harassment, the following options are provided.

1. Notification of Appropriate Staff. Staff, Board Officers and/or Board Members who believe they have been subjected to harassment should report the incident to the Association Executive or President of the Board of Directors, or the next highest officer who is not the subject of the complaint or the complainant.
2. Description of Misconduct. An accurate record of the objectionable, harassing behavior or misconduct is encouraged in order that the Investigatory Team called for under Section 6.12 of the Bylaws has sufficient information to resolve the formal complaint of harassment. Reports of harassment may be made verbally or in writing. Individuals who believe that they have been or are currently being harassed, should attempt to maintain a record of the objectionable conduct in order to prepare effectively and substantiate their allegations.
3. Time Frame for Reporting a Complaint. The Yakima Association of Realtors encourages prompt reporting of complaints so that rapid response and appropriate action may be taken. This policy not only aids the complainant but also helps to maintain an environment free from discriminatory conduct for all concerned.

### **General Guidelines for Investigating a Complaint**

Confidentiality. Any allegations of harassment brought to the attention of the Yakima Association of Realtors will be promptly investigated. Confidentiality will be maintained throughout the investigatory process to the extent practical and appropriate under the circumstances.

### **Zero Tolerance Policy for Retaliation**

Yakima Association of Realtors will not tolerate retaliation against any Association Board Officers, Board Members or staff for reporting harassment or participating in the investigation or hearing of a complaint of harassment.

### **Investigation of Members**

The Investigatory Team. Complaints by or against Members of the Yakima Association of Realtors shall be reviewed by the Investigatory Team as comprised pursuant to Section 6.12 of the Bylaws. In the event that any of the identified Officers or Board Members are ineligible to serve either because they are the subject of the complaint or the complainant, the next ranking officer of YAR shall take their place.

The Investigation. In pursuing the investigation, the Investigatory Team shall thoroughly investigate the matter, keeping the complainant informed as to the general status of the investigation, while maintaining confidentiality of the investigatory process as much as possible. The Investigatory Team may call upon witnesses, review such documents as they deem appropriate, and promptly deliberate and issue a set of findings and conclusions with a determination of appropriate sanctions, if any.

Discipline of Association Members. The sanctions levied by the Investigatory Team may include any combination of those permitted under Sections 6.12 of the Bylaws in addition to any sanction authorized in Appendix VII to Part Four: Sanctioning Guidelines in the Association's Code of Ethics and Arbitration Manual.

Notification of Discipline. The written findings and conclusions of the Investigatory Team shall be forwarded to YAR's Board of Directors for informational purposes, and directed to the alleged offender with at least twenty (20) days advance notice before the sanctions go into effect. Notifications shall be delivered to all brokers who work in the office of a designated or managing broker if a designated or managing broker is named as the alleged violator in cases where probation, suspension, or expulsion from the Association is determined by the Investigatory Team.

Maintaining a Written Report of the Findings and Conclusions. The Association shall maintain a copy of the Investigatory Team's Findings and Conclusions for each complaint addressed by the Investigatory Team. This record shall be maintained for five (5) years from the date of the resolution, unless new circumstances dictate that the file should be kept for a longer period of time.

### **Appeal Process**

If any party directly involved in a harassment investigation is dissatisfied with the outcome or resolution, as determined by the Investigatory Team, that individual has the right to appeal the decision to a subcommittee of the Board of Directors of the Yakima Association of Realtors. The subcommittee shall be comprised of three (3) members of the Board of Directors selected by the President or, if the President is either the subject of the harassment complaint or the complainant, then the next highest officer shall select the members of the appeals committee. The party wishing to appeal shall be required to submit his or her written notice of appeal in a timely manner, but no more than twenty (20) days after the outcome or resolution was issued by the Investigatory Team. The Appeals Committee shall have the power to affirm, reverse or modify the decision of the Investigatory Team. The Appeals Committee shall permit the alleged violator to submit written and oral evidence to the Committee and to entertain witnesses provided by the alleged violator. The complainant shall be advised of an appeal, and invited to participate in the appeal process. The Appeals Committee shall set its own schedule with the parties for the submission of evidence, conduct of the hearing, the length of the hearing and shall render a decision following hearing within seven (7) calendar days of the conclusion of the hearing.

## **4.3 Ethics Complaints and Arbitration Hearings**

The Yakima Association of REALTORS® refers to the Code of Ethics and Arbitration Manual of the National Association of REALTORS® for all policies and procedures regarding the handling of Ethics Complaints and Arbitration Hearings pursuant to Article VII of the Association bylaws.

The Association does not require a fee for filing Ethics Complaints but does require a fee of \$250 to file an Arbitration Request, which is refundable if the Request for Arbitration is found non-arbitrable by the Grievance Panel.

All members of the Association have the right to request Ombudsman (Ethics) or Mediation (Arbitration) Services as per NAR's Code of Ethics and Arbitration Manual at no cost.

All cases and hearing decisions are held confidential unless found in violation of Article 10 of the National Association of REALTORS®' Code of Ethics, during any real estate dealings or transaction, of which the decision will be sent to the state regulatory agency, EXCEPT if the violation is in reference to Standard of Practice 10-5, as directed in Section 23 (j) *Action of the Board of Directors* in the Code of Ethics and Arbitration Manual of the National Association of REALTORS®. (Mandatory Revision 1/21)

#### **4.4 Citation Policy**

The purpose of this program is to give complainants and respondents a faster resolution to the complaint process for those complaints of lesser severity, as normally complaints can take 4-6 months to go through NAR's procedures.

1. As an option for the Grievance Committee, an ethics complaint may be eligible for the citation program if there is an alleged violation, identified under the Model Citation Schedule, provided the complaint does not also include articles which are not included in the citation program.
2. If the Grievance Committee determines that the complaint should be forwarded for a hearing, the Grievance Committee will first forward the complaint to the Association's Citation Panel to determine if it includes allegations covered by the Citation Schedule, i.e., if it is a "citable offense."
3. The respondent will have twenty (20) days from receipt of the citation to elect to accept the citation and timely abide by the sanctions outlined in the citation. If the respondent does not accept the citation, the complaint will go to hearing in accordance with the procedures as outlined in NAR's Code of Ethics and Arbitration Manual.
4. A respondent will be eligible to receive only three (3) citations within a thirty-six (36) month period. After three citations have been issued and another complaint is filed within a thirty-six (36) month period and forwarded to a hearing by the Grievance Committee, the complaint will automatically go to hearing and will not be eligible for the citation program.

#### **Initial Review by Grievance Committee and Citation Panel:**

- I. When a Grievance Committee receives a written ethics complaint, it will review the complaint consistent with Sections 19 and 20 of the current NAR Code of Ethics and Arbitration Manual. The Grievance Committee may add or delete articles or respondents at this stage in the proceedings.
- II. If the Grievance Committee determines that the complaint should be forwarded for a hearing, the Grievance Committee will first forward the complaint to the Association's Citation Panel to determine if it includes allegations covered by the Citation Schedule, i.e., if it is a "citable offense".
  - A. If the complaint does not include alleged violations included in the Citation Schedule, or it includes some covered by the Citation Schedule and some that are not, the complaint shall be referred to the Professional Standards Committee for hearing consistent with the policies and procedures set forth in the Code of Ethics and Arbitration Manual for ethics hearings.

- B. If the complaint includes only allegations of violations included in the Citation Schedule, the Citation Panel will issue a citation pursuant to Section III (below) and impose discipline consistent with the association's Citation Schedule. In the event the members of the Citation Panel determine the conduct described in the complaint is sufficiently egregious to warrant a hearing rather than a citation, the complaint shall be referred to the Professional Standards Committee for hearing consistent with the policies and procedures set forth in the Code of Ethics and Arbitration Manual for ethics hearings.

### **Issuance of Citations**

- I. The complaint, along with the citation will be sent to respondents. A copy of the citation shall also be sent to the REALTOR® principal of respondents' office. If the respondent changes firms before or after the complaint is filed but before the citation is issued, both the former and current REALTOR® principal will receive a copy of the citation.
- II. The respondent will have twenty (20) days from receipt of the citation to request a full due process hearing on the complaint.
  - A. If the respondent does not reply within ten (10) days of receiving the citation, a notice shall be issued to the respondent reminding the respondent of the deadline for requesting a hearing.
  - B. If the respondent accepts the citation, or if the respondent does not request a hearing within twenty (20) days of receipt of the citation, this shall be deemed to be a final resolution of the complaint, which shall not be appealable or subject to any further review.
  - C. If the respondent accepts the citation, or if the respondent does not request a hearing within twenty (20) days of receipt of the citation, payment must be received by the association not more than twenty-five (25) days after receipt of the citation.
    - 1. The case will be deemed to be closed upon receipt of payment, and notice will be provided to the complainant that a citation has been issued and paid.
    - 2. Failure to pay the citation amount within twenty-five (25) days after receipt of the citation will result in the automatic suspension of membership until the citation has been paid.
  - D. If the respondent requests a hearing within the time specified, the complaint shall be referred for hearing. The complainant who initially filed the complaint shall be given the option to proceed as the complainant for the purposes of the hearing and will be afforded all due process rights provided for in the Code of Ethics and Arbitration Manual. Should the complainant be a member of the public who refuses or is unable to participate in the hearing, or should the complainant be a REALTOR® member who refuses or is unable to participate in the hearing, the provisions of Section 21(f)(3) in the NAR Code of Ethics and Arbitration Manual shall apply.

## **Limitations**

- I. Any REALTOR® is limited in the number and type of citations that he/she may receive, according to the following rules:
  - A. No more than two (2) citations will be issued to a member within a consecutive twelve (12) month period, starting on the date the first complaint was filed, at the same association.
  - B. No more than three (3) citations will be issued to a member within a consecutive thirty-six (36) month period, starting on the date the first complaint was filed, at the same association. Aggregated fines levied against any member may not exceed \$5,000 in any three (3) year period.
- II. The fact that a respondent has previously been issued a citation for any violation, whether or not it was paid, shall not be admissible in any ethics or arbitration hearing, including a hearing to consider a complaint where the respondent rejected a citation and requested a hearing. A hearing panel may consider citations previously issued to the respondent for the purpose of determining appropriate discipline as provided in Subsection IV below.
- III. Where a hearing panel finds a violation of the Code of Ethics after a hearing, it may consider past citations in determining an appropriate sanction only if the citation was issued for the same violation at issue in the hearing. By way of example, if a citation is issued for failure to disclose a dual or variable rate commission under Standard of Practice 3-4, that citation could not be considered if a hearing panel later found a violation of Article 3 on some other grounds. Hearing panels will not be informed of past citations for other violations.
- IV. Association staff will track the number of citations issued, the number of citations paid, and the violations for which citations were issued. This information may be provided in the aggregate to the Board of Directors, but will not include details about the complaints, nor identify the complainants or respondents.
- V. Ethics training will be mandated along with the affiliated fee in the following 2 cases:
  - If REALTOR cited has been licensed for less than 2 years.
  - It is a 2nd or 3rd offense in a consecutive 3-year period.

### Citation Schedule of Fines

Article	Standard of Practice	Fine
<b>Article 1</b>		
Failure to fully disclose and obtain consent from both parties when representing both the seller/landlord and buyer/tenant in the same transaction	Standard of Practice 1-5	<b>\$500</b>
Accessing or using, or allowing others to access or use, a property managed or listed on terms other than those authorized by the owner or seller	Standard of Practice 1-16	<b>\$500</b>
<b>Article 3</b>		
Failing to disclose existence of dual or variable rate commission arrangements	Standard of Practice 3-4	<b>\$400</b>
Failing to disclose existence of accepted offers, including offers with unresolved contingencies, to cooperating brokers	Standard of Practice 3-6	<b>\$250</b>
Providing access to listed property on terms other than those established by the owner or the listing broker	Standard of Practice 3-9	<b>\$500</b>
<b>Article 4</b>		
Failing to disclose REALTOR®'s ownership or other interest in writing to the purchaser or their representative	Article 4 (second sentence)	<b>\$300</b>
<b>Article 5</b>		
Providing professional services without disclosing REALTOR®'s present interest in property	Article 5 (limited to present interest, not contemplated)	<b>\$300</b>

<b>Article 6</b>		
Accepting any commission, rebate, or profit on expenditures without client's knowledge or consent	Article 6	<b>\$400</b>
<b>Article 9</b>		
Failure to fill out all necessary forms fully and completely	Article 9	<b>\$200</b>
Failure to obtain necessary signatures on forms.	Article 9	<b>\$400</b>
<b>Article 12</b>		
Failing to present a true picture in real estate communications and advertising	Article 12	<b>\$250</b>
Failing to disclose status as real estate professional in advertising and other representations	Article 12	<b>\$150</b>
Advertising property for sale/lease without authority of owner or listing broker	Standard of Practice 12-4	<b>\$500</b>
Failing to disclose name of firm in advertisement for listed property	Standard of Practice 12-5	<b>\$150</b>
Falsely claiming to have "sold" property	Standard of Practice 12-7	<b>\$250</b>
<b>Article 14</b>		
Failing to cooperate in a professional standards proceeding or investigation in circumstances when cooperation has been demanded by the association and association has advised REALTOR® failure to cooperate could result in an allegation of a violation of Article 14	Article 14	<b>\$500</b>

<b>Article 16</b>		
Conditioning submission of a buyer's offer on additional compensation from a listing broker	Standard of Practice 16-16	<b>\$400</b>
Placing for sale/lease sign on property without permission of seller/landlord	Standard of Practice 16-19	<b>\$200</b>