



**MIBOR REALTOR® ASSOCIATION**  
**POLICY REGISTER of the BOARD OF DIRECTORS (Board)**

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## **POLICY 1: RESULTS AND PRIORITIES**

### **1-1 PURPOSE OF MIBOR**

MIBOR is a professional trade organization and exists for the following purpose:

**CORE PURPOSE:** To provide a professional, supportive environment for MIBOR members.

**MISSION:** **MIBOR REALTOR® Association empowers members and strengthens the marketplace in central Indiana through collaboration, advocacy, professionalism, education and innovation.**

**GOALS:**

1. Ensure market efficiency
2. Strengthen our communities
3. Promote professionalism
4. Preserve member relevancy
5. Be the definitive source

**POLICY 2: GOVERNANCE**  
**PROCESS 2-1**  
**BOARD JOB CONTRIBUTIONS**

The “job contribution” of the Board is to achieve the organization’s mission in ethical and prudent ways. The Board’s specific contributions are unique to its trusteeship. All other contributions are made by staff or through functions controlled by staff. Consequently, the “products” or job contributions of the Board (i.e., not delegated to staff, though perhaps delegated from time-to-time to direct Board-controlled functions) shall be to:

1. Develop and monitor strategic direction of MIBOR which includes:
  - a. Defining expected outcomes;
  - b. Setting measurable objectives;
  - c. Monitoring:
    - i. The external environment within which MIBOR functions relative to legal, political demographics and social changes which may have an impact on the strategic direction;
    - ii. MIBOR’s progress in executing the established strategic plan relative to its core purpose, vision, mission and goals/outcomes; and
    - iii. Changes which may be required in strategic direction, based on internal and external factors.
2. Establish the line of communication and mutual accountability between the organization and its membership through, but not limited to, its Districts, Marketing Divisions, Institutes, Societies, and Councils.
3. Promulgate written governing policies which, at the highest levels, address:
  - a. Mission, Vision, Goals (1-1);
  - b. Limitations or constraints on executive authority (3-1 to 3-8);
  - c. Governance Process (2-1 to 2-10);
  - d. Board-Staff Relationship (4-1 to 4-3)
4. Assure CEO performance in conformance with 2-1, specifically 3 (A) and 3 (B), through an appointed Personnel Committee.
5. Maintain security of and return on long-term reserves (3-1(3)), through Finance Committee.
6. Determine level of contribution for staff retirement benefits via annual budget process.
7. Determine level of contribution to The REALTOR® Foundation.
8. Monitor governmental impact, development and communication of public policy positions and periodic statements on current issues to appropriate public policy-makers.
9. Establish awards and recognition criteria and process and review of final candidates.
10. Monitor MPAC/RPAC funding and MPAC/RPAC Trustee appointments - Selection guidelines in 2-1, Appendix #2.
11. Work closely with IAR and NAR to achieve mutual goals, objectives, and policies.
12. Retain and review legal counsel in accordance with job description in 2-1, Appendix #1.
13. Ratify and/or approve Professional Standards Committee actions, hear appeals of Grievance Committee & Professional Standards Committee decisions, review new member applications not approved by the Membership Committee, and review terminations.
14. Appoint three Directors to the Board of the MIBOR Service Corporation (MSC) annually in December.
15. Engage audit firm and review performance in accordance with criteria developed by the Finance Committee and approved by the Board.
16. Validate eligibility of candidates for MIBOR’s IAR Directors seats
17. Appoint MIBOR’s NAR Directors, according to #2-9.
18. Recommend candidates for MIBOR’s IAR Executive Committee.

**BOARD JOB CONTRIBUTIONS**  
**APPENDIX #1 TO 2-1**  
**MIBOR LEGAL COUNSEL POSITION DESCRIPTION**

1. Attend all meetings of the Board and provide legal advice as required.
2. Attend and/or advise committee activities which concern Board policy, Bylaws, rules, regulations or forms.
3. Attend Professional Standards hearings as requested.
4. Review Board forms, contracts, documents, etc.
5. Be available to the CEO, Board officers, Directors and MIBOR staff for consultation on matters which may have legal or ethical ramifications.
6. Apprise MIBOR of changes in law, regulations, etc., which could have an impact on the association and/or the real estate industry.
7. Represent MIBOR in any litigation to which it might be a party.
8. When requested, represent or be present in any contract negotiations between MIBOR and various suppliers of services, products, etc.
9. Be directly responsible to the Board with an annual review in February by the Personnel Committee of the Board.
10. There are three very important factors which should be considered in our relationship with legal counsel:
11. No conflicts of interest.
12. Accessibility.
13. Understanding of association law, real estate law, and common real estate practices.

**BOARD JOB CONTRIBUTION  
APPENDIX #2 TO 2-1  
MPAC (RPAC) TRUSTEES**

**General Objective:**

1. To assist the Board, and the membership, in the establishment of an effective political action program to support candidates who understand and support laws, regulations, and public policy that:
2. Accommodate and promote the growth of MIBOR's jurisdictional area.
3. Encourage business expansion, new business investment, and the retention and creation of jobs.
4. Facilitate and create freedom of choice in housing and equal access to affordable housing opportunities for all citizens.
5. Minimize the constraints and costs associated with the ownership, use, improvement, and transfer of real property.
6. Strengthen central Indiana's position and image as an excellent place to live, work, and conduct business.

**Specific Objectives:**

1. Review pertinent information of political candidates for the purpose of providing MPAC support.
2. Consider advice and recommendations from members on candidates or issues with respect to their receiving support from MPAC.
3. Analyze issues coming before the electorate, and through an assigned liaison which are vital to real estate interests, and decide what, if any, MPAC support should be provided.
4. Determine the timing of support, endorsement, recommendation, and amount of contribution.
5. Consider all local political races within the MIBOR jurisdictional area.
6. Make recommendations to IAR RPAC Trustees for state office candidates, national candidates, and for additional local candidates' support.
7. Follow up and follow through with candidates after disbursement
8. Develop questionnaire and interviewing process for political candidates.
9. Review office holder performance when deemed appropriate to ensure that they are meeting general objectives as outlined above.

**Bylaws:**

The composition of trustees; the election officers; the approval of nominees, and the length of term shall be done in accordance with MPAC Bylaws.

**Criteria:**

All Trustees must have some political knowledge and contribute \$99 or more to RPAC prior to serving as Trustee and for each year in which s/he serves as Trustee

**POLICY 2: GOVERNANCE**  
**PROCESS 2-2**  
**GOVERNING STYLE**

The Board will approach its task in a manner that emphasizes strategic leadership more than administrative detail, clear distinction of Board and staff roles, future rather than past or present, and proactively rather than reactivity. In this spirit, the Board will:

1. Keep its major involvement with the intended long-range impact of the organization, not with the administrative or programmatic means of attaining those goals.
2. Direct, control, and inspire the organization through the careful deliberation and establishment of policies. Policies will be statements of values or approaches that address:
  - a. The “ends/goals” (what benefits for which needs at what cost);
  - b. Executive limitations;
  - c. Board roles and responsibilities; and
  - d. The Board/Staff relationship.
3. Enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to attendance, policymaking principles, respect of clarified roles, speaking with one voice and self-policing of all tendencies to stray from rigorous governance.
4. Be accountable to the membership for competent, conscientious, and effective accomplishment of its obligations as a body. It will allow no officer, individual, or committee of the Board to usurp this role or deter this discipline.
5. Monitor and regularly discuss the Board’s own process and performance. Ensure the continuity of Board improvements through systematic treatment of its own institutional memory.
6. Be an initiator of policy, not merely a reactor to staff initiatives. The Board, not the staff, will be responsible for Board performance.
7. Foster an atmosphere that stimulates membership involvement for the purpose of developing future Board leadership.
8. Agree to comply with the following policy statement concerning Conflict of Interest. See Section 2-11

A signed Conflict of Interest Statement shall be submitted by each Director, Officer, member of a task force or committee at the beginning of each calendar year

**POLICY 2: GOVERNANCE**  
**PROCESS 2-3**  
**COMMITTEE/TASK FORCE PRINCIPLES**

The Board may, from time-to-time, establish committees or task forces to help carry out its responsibilities. To preserve Board effectiveness, task forces and/or committees will be used sparingly.

1. Board committees/task forces may not speak or act for the Board except when formally given such authority for specific and time-limited purposes. Such authority will be carefully stated in order not to conflict with authority delegated to the CEO.
2. Board committees/task forces are to help the Board do its job, not to help the staff do its job. Committees/task forces will assist the Board chiefly by preparing policy alternative and implications for Board deliberation. Board committees/task forces are not to be created by the Board to advise staff. Staff can create whatever committees/task forces it desires to obtain needed advice; the presence of Board members on staff created committees/task forces does not alter the status of staff committees/task forces. This policy does not apply to committees/task forces formed under the authority of the CEO.
3. Board committees/task forces cannot exercise authority over staff and will ordinarily have no direct dealings with current staff operations. Further, the Board will not impede its direct delegation to the CEO by requiring approval of a Board committee/task force before an executive action. The CEO works for the Board, never for a committee/task force or Officer.

**POLICY 2: GOVERNANCE  
PROCESS 2-4  
ANNUAL PLANNING CYCLE**

The Board will contribute to MIBOR's long-range planning by annually reconfirming or updating its long-range vision rather than by participating in the mechanics of planning itself.

Although there are other Board pursuits during the year, the annual agenda will be built around this recurring update of the Board's long-range intentions. Meeting agendas will gain their continuity and substance largely from the actions necessary to carry out the annual agenda. The annual cycle will approximate the following sequence:

**FEBRUARY**

- Ratify President appointments to Grievance and Professional Standards Committee Chairs
- Monitor Results and Priorities (CEO Report)
- Receive Conflict of Interest statements
- Review Legal Counsel (Personnel Committee)
- Review quarterly financial statement
- Appoint Nominating Committee
- BLC® Policy Committee
- Personnel Committee

**APRIL**

- Monitor Results and Priorities (CEO Report)
- Review prior year Audit report
- Invite IAR Executive Committee members for update
- Review quarterly financial statement

**JUNE**

- Monitor Results and Priorities (CEO Report)
- Review and update Strategic Plan: Goals and Objectives
- Verify IAR BOD candidates

**AUGUST**

- Monitor Results and Priorities (CEO Report)
- Appoint Awards Task Force
- Presentation of Member Survey

**OCTOBER**

- Monitor Results and Priorities (CEO Report)
- Review quarterly financial statement
- Elect Officers
- Present budget – Note: Staff compensation benchmarks reported here
- Organize calendar for next year
- Review CEO Performance

**DECEMBER**

- Monitor Results and Priorities (CEO Report)
- Approve annual awards candidate selection
- Determine level of REALTOR® Foundation contribution
- Review CEO performance and compensation as presented by Personnel Committee
- Ratify Board committees
- Appoint MPAC Trustees
- Orient new Officers and Directors



**POLICY 2: GOVERNANCE**  
**PROCESS 2-5**  
**OFFICER DIRECTOR ROLES**

The Board exercises its authority as a total group, not as individuals. In limited cases, the Board will grant authority to individuals other than its CEO. The only continuing instance of such non-CEO delegation is to Board Officers. Board Officer Position descriptions are defined in 2-5 Appendix #1 through 5:

1. President: The integrity of Board process.
2. President-Elect: The systematic evaluation of Board (not CEO) performance and forward continuity of excellence in Board process.
3. Secretary/Treasurer: The security and return of and on long-term reserves. Monitoring of financial budgeting and planning.
4. Secretary/Treasurer-Elect: The security and return of and on long-term reserves. Monitoring of financial budgeting and planning.
5. Director: Voting member of the policy-making Board.

**OFFICER AND DIRECTOR ROLES**  
**APPENDIX #1 TO 2-5**  
**PRESIDENT POSITION DESCRIPTION**

The President shall:

1. Provide leadership in the promulgation and compliance of MIBOR's Results and Priorities as stated in 1-1.
2. Appoint chairs and members of those committees and task forces reporting to the Board; appoint one-year seat on Board of Directors (ratified by BOD); appoint an incoming director to Personnel Committee.
3. Be an ex-officio member of all Board committees or task forces as provided in MIBOR's Bylaws.
4. Plan for and preside at all meetings of the Board and general membership.
5. Regularly meet with the CEO to discuss issues relevant to MIBOR and plan the agendas for all Board and general membership meetings.
6. Meet with the Marketing Divisions, Institutes, Councils, and Societies when necessary and possible to represent MIBOR.
7. Meet periodically with the leadership of government and allied organizations to discuss problems or solutions of common interest to the MIBOR region, the State of Indiana, and the real estate industry as it relates to public policy.
8. Represent MIBOR at all IAR and NAR meetings.
9. Sign any official documents as required.
10. Serve as the chief spokesperson for MIBOR.
11. Counsel the CEO on performance on behalf of the Board and/or the Personnel Committee.
12. Guide the Board in self-evaluation of the governance policy process on a regular basis.

**OFFICER AND DIRECTOR ROLES**  
**APPENDIX #2 TO 2-5**  
**PRESIDENT-ELECT POSITION DESCRIPTION**

In the absence of the President, the President-Elect shall perform the duties of the President.

The President-Elect shall also:

1. Attend all meetings of the Board.
2. When called upon by the President or CEO, represent MIBOR.
3. During his/her year, begin planning with the CEO for the coming year as President for example, attend NAR Leadership Summit.
4. Attend MIBOR committee and/or task force meetings when possible so as to be informed on the issues and programs.
5. Serve as a member of the MPAC Trustees and Personnel Committee.
6. Serve as NAR Director and attend NAR directors' meeting.
7. Stay abreast of IAR issues.
8. Regularly meet with the President and CEO to discuss issues relevant to MIBOR and participate in the selection of Board committees/task forces and their leadership.
9. Monitor the policy governance process in the Board meetings, e.g., serve in the role of parliamentarian.

**OFFICER AND DIRECTOR ROLES**  
**APPENDIX #3 TO 2-5**

In the absence of the President and the President-Elect, the Secretary/Treasurer shall perform the duties of the President.

The Secretary/Treasurer shall also:

1. Attend all meetings of the Board.
2. Serve as the chair of the Finance Committee.
3. Work closely with the CEO and staff to help ensure accurate accounting of all funds, securities, and assets.
4. Review and present to the Board for approval the quarterly financial statements.
5. Sign any official contracts or instruments which the Board has authorized to be executed.
6. Attend MIBOR meetings to keep informed on issues and programs of MIBOR.
7. Attend all IAR and NAR meetings.
8. Perform other duties as required by the Board or as requested by the President.

**OFFICER AND DIRECTOR ROLES**  
**APPENDIX #4 TO 2-5**

In the absence of the President, the President-Elect, and the Secretary/Treasurer, the Secretary/Treasurer-Elect shall perform the duties of the President.

The Secretary/Treasurer-Elect shall also:

1. Attend all meetings of the Board.
2. Serve as the Vice-Chair of the Board's Finance Committee.
3. Work closely with the CEO and staff to help ensure accurate accounting of all funds, securities, and assets.
4. Attend MIBOR meetings to keep informed on issues and programs of MIBOR.
5. Attend all IAR and NAR meetings.
6. Be available to sign documents and checks as back up to Secretary/Treasurer.
7. Perform other duties as required by the Board or as requested by the President or Secretary/Treasurer.

## **OFFICER AND DIRECTOR ROLES**

### **APPENDIX #5 TO 2-5**

This job description is intended to inform Directors and Director Candidates of the responsibilities associated with being a Director of MIBOR.

This is a proactive Board whose mission is to provide a professional, supportive environment for MIBOR members. As a Director your participation is needed to fully support the vision, mission, goals and overall work of the Board.

This will be accomplished through the strategies identified in MIBOR's strategic plan.

The role of the Board includes:

1. Setting overall direction of MIBOR through development of a strategic direction (plan).
2. Developing organizational goals and objectives.
3. Setting MIBOR policy.
4. Evaluating and monitoring results or outcomes ascribed in the strategic direction. Each Director is expected to:
5. Attend new director orientation preceding first year as director.
6. Attend all Board meetings unless excused by the President.
7. Agree to serve on a task force as appointed by the President.
8. Attend all Division meetings within their district and other MIBOR meetings as scheduled, unless excused by the President. (Note: in the circumstance of multiple directors for the same district, these responsibilities can be split.)
9. Attend MIBOR meetings to keep informed on the issues and programs of MIBOR.
10. Attend the annual planning retreat, unless excused by the President.
11. Attend The Ball.
12. Actively participate in MIBOR-sponsored activities.
13. Participate in public and governmental activities on behalf of MIBOR.
14. Attend at least one NAR business meeting or "specialty" business meeting (at President's discretion) per year.
15. Support RPAC by contributing a minimum of \$99 per year.
16. Support REALTOR® Foundation mission and its activities.

**POLICY 2: GOVERNANCE**  
**PROCESS 2-6**  
**OFFICER ELECTION PROCESS**

The Board will adhere to the following procedure in electing its officers: A Nominating Committee will be created (see Policy 2-7 for composition excluding retiring Directors) whose duty shall be to solicit, encourage, and review qualified Officer candidates.

1. The election of officers shall be held no sooner than seven (7) and no later than twenty-one (21) days after the election of Directors.
2. The newly-elected Directors will be asked to attend the election but will not be permitted to vote.
3. Candidates for any office will be encouraged to have an interview with the Board on the day of Officer elections.
4. Only Directors present for the elections will be allowed to vote for Officers. There will be no “absentee ballots” or telecommunications voting.
5. Officer candidates will be asked to complete an information form and submit it to the President no later than 10 days prior to the start of the meeting to elect officers.
6. All voting will be done using paper ballots and any outgoing Director who is a candidate may vote.
7. Systematic elimination process will be used in voting; i.e. if there are five candidates, vote for 3 and take top 3, vote for 2 and take top 2, then vote for 1.

**POLICY 2: GOVERNANCE  
PROCESS 2-7  
DIRECTOR ELECTION**

**Nominating Committee**

The Nominating Committee's role is to solicit, encourage, screen, and select candidates to run for position of Director.

**Election Procedure**

MIBOR will adhere to the following procedure in electing its Directors:

1. MIBOR will develop and distribute to all Director Candidates an information package that includes MIBOR's Mission Statement, Director obligations, etc.
2. Candidates are encouraged to speak to their respective district/division/specialty meetings.
3. Candidates will be responsible for their own "campaign expenses".  
    Note: Candidates will be provided a set of electronic media of eligible voters.
4. MIBOR will disseminate election information, instructions and candidate biographies to all eligible voters prior to the election period.
5. Voting will be done on an approved internet site administered by an outside vendor. Eligible voters without internet access may vote using a computer at the MIBOR office.
6. The internet voting vendor shall notify the MIBOR Election Committee of the election results on the next business day following the end of the election period.
7. President appoints an election committee (excluding director candidates) to perform the tasks of:
  - a. Conducting the orientation for director candidates
  - b. Verifying election results
  - c. Notifying candidates of election results



**POLICY 2: GOVERNANCE**  
**PROCESS2-8**  
**COMPOSITION OF NOMINATING COMMITTEE**

The composition of the Nominating Committee shall at least include the retiring Directors, a previous Past President, the immediate Past President (who shall serve as chair), a past committee chair, a past division chair, and most recent Real Estate Academy of Leadership (REAL) moderator.

**POLICY 2: GOVERNANCE**  
**PROCESS 2-9**  
**NAR DIRECTOR APPOINTMENT PROCESS**

The Board will follow the following procedure in appointing NAR Directors:

1. The current President will occupy one seat.
2. The President-Elect of the Board shall occupy the second seat.
3. The Immediate Past President of the Board shall occupy the third seat (if a third seat exists).

**POLICY 2: GOVERNANCE**  
**PROCESS 2-10**  
**BOARD OF DIRECTORS' CODE OF CONDUCT**

The Board expects of itself and its members ethical and businesslike conduct. This commitment includes proper use of authority and appropriate decorum in group and individual behavior as Board members. Directors must represent unconflicted loyalty to the interests of the membership as a whole.

1. This accountability supersedes specifically, but is not limited to:
  - a. Conflicting loyalty such as that to advocacy or interest groups and membership on other boards or staffs.
  - b. The personal interest of any Board member acting as an individual consumer of the organization's services.
2. A Board member is expected to live up to and support the Board's policies and decisions. If a Board member is in conflict with a Board decision or vote, the member is expected to resolve the issues within Board process:
  - a. As prescribed by Robert's Rules of Order on reconsideration.
  - b. If any Director determines that a decision is outside of his/her moral or ethical belief, s/he may resign without prejudice.
  - c. Board members must remember the agreement to Speak with One Voice after the Board vote is taken. However, a dissenting vote may be recorded upon request. As in Robert's Rules, majority vote is used. However, consensus is sought.

*Consensus means: All members are heard by the group and although the decision reached may not be one that a member personally would have chosen, the member will accept and support that decision.*

3. Board members must avoid any conflict of interest with respect to their fiduciary responsibility or any violation of the Conflict of Interest Policy (Policy 2-11).
  - a. There must be no self-dealing or any conduct of private business or personal services between any Board member and the organization except as procedurally controlled to assure openness, competitive opportunity and equal access to confidential and/or inside information. See the Conflict of Interest Policy 2-11
  - b. Board members must not use their positions to obtain employment in the organization for themselves, family members or close associates.
  - c. Should a Board member be considered for employment, the Board member must temporarily withdraw from Board deliberation, voting, and access to applicable Board information.
4. Board members may not attempt to exercise individual authority over MIBOR except as explicitly set forth in Board policies.
  - a. Board members' interaction with the CEO with staff must recognize the lack of authority in any individual Board member or group of Board members except as noted above.
  - b. Board members' interaction with membership, public, press or other entities must recognize the

same limitation and the similar inability of any Board member(s) to speak for the Board. Board members must remember the agreement to Speak with One Voice after the Board vote is taken. However, a dissenting vote may be recorded upon request.

- c. Board members will make no judgments of the CEO or staff performance except as that performance is assessed against explicit Board policies by the official process.
  - d. Board members' interactions with Board-appointed legal counsel must recognize the same limitation and the similar inability of any Board member to speak for the Board or to receive information not shared with the full Board.
5. The Board intends to provide an environment that is free of harassment. Director's conduct that results in harassment of other Directors or staff or guests of the Board because of their race, color, religion, sex, age, familial status, disability or national origin will not be tolerated. If a Director finds that another Director is interfering with the Board's performance or harassing, intimidating, or creating a hostile or offensive environment, that Director should immediately contact the Board President or President-Elect. Lewd statements, off-color jokes, use of offensive language, gestures or offensive touching will in no way be tolerated.
6. For any violation of Board policy, sanctions may include removal of the offending Director by two-thirds vote of the Directors as outlined in MIBOR's By-Laws.

**POLICY 2: GOVERNANCE**  
**PROCESS 2-11**  
**CONFLICT OF INTEREST POLICY**

I. **Purpose.**

The purpose of this Policy is to protect MIBOR's interests when it is considering or negotiating a transaction or arrangement that might benefit the private interests of a director, officer or member of a MIBOR task force or committee. This policy statement is intended to supplement, not replace, any applicable state and federal laws governing conflicts of interest applicable to nonprofit corporations.

II. **Definitions.**

"MIBOR" shall mean the MIBOR REALTOR Association, Inc. and any of its subsidiaries, including the MIBOR Service Corporation and the MIBOR Foundation, Inc.

"Financial Interest" shall mean having, directly or indirectly, through business, investment or immediate family: (a) an ownership or investment interest in any entity with which MIBOR has a transaction or arrangement; (b) a compensation arrangement with MIBOR or any individual or entity which MIBOR has a transaction or arrangement; or (c) a potential ownership or investment interest in, or compensation arrangement with, any individual or entity with which MIBOR is considering or negotiating a transaction or arrangement.

"Significant Financial Interest" shall mean a, direct or indirect, ownership interest of ten percent (10%) or more in any entity held by the individual director, officer or task force/committee member or that individual's immediate family.

"Interested Person" shall mean any director, officer or member of a MIBOR task force or committee who has a Financial Interest, as that term is defined herein.

III. **Policy.**

No director, officer or member of a MIBOR task force or committee, who:

- (a) has a Financial Interest in, or
- (b) is a director, manager, officer, or other similar position of,

any corporation, firm, association, or entity with which MIBOR is dealing, may either influence or participate in any discussion, decision or business that endorses, recommends, authorizes, approves, or ratifies the purchase of goods or services offered by that entity.

However, the fact that the director, officer, member of a task force, or a MIBOR committee is involved in the practice of real estate shall not preclude such individual from voting on or discussing matters that affect the practice of real estate.

IV. **Procedures.**

- a. Any Interested Person must disclose all material facts relating to any Financial Interest(s) and the related potential transaction or arrangement to the board of directors or the appropriate MIBOR task force or committee. Provided however, any director, officer or MIBOR task force or committee member may voluntarily recuse themselves from involvement in any decision or discussion which the individual believes he or she may have a Financial Interest or other conflict of interest, without full disclosure of their specific Financial Interest(s).

- b. In the event an actual or potential Financial Interest may exist and the interested person has not voluntarily recused themselves as provided in this Policy, the disinterested members of the board of directors (or the task force or committee) shall decide whether a Financial Interest and/or conflict of interest exists. The interested person shall leave the meeting for the discussion and vote by the remaining disinterested members, however the interested person shall be afforded an opportunity to present all material facts regarding the actual or potential Financial Interest and the transaction or arrangement being considered prior to leaving.
- c. If any director, officer or member of a MIBOR task force or committee who is uncertain as to whether a situation constituting a Financial Interest or other conflict of interest exists, they shall consult MIBOR's Chief Executive Officer as soon as practicable and before influencing or participating in any formal discussion of the transaction or arrangement giving rise to the uncertainty.
- d. All directors, officers and members of certain MIBOR task forces and committees shall:
  - a. Affirm in writing that he or she has received a copy of, reviewed, understands and agrees to abide by this Policy; and
  - b. Provide a signed Conflict of Interest Statement wherein he or she discloses all existing Significant Financial Interest(s).
- e. The minutes of the board, task force or committee shall contain the names of the persons who recused themselves, disclosed or otherwise were found to have a Financial Interest or conflict of interest, the nature of any disclosed facts and any action taken to determine whether a Financial Interest or other conflict of interest existed, the names of the persons who were present for discussions and votes relating to the transaction or arrangement, and a record of any votes taken in connection with the transaction or arrangement.

**POLICY 3: EXECUTIVE LIMITATIONS**  
**PROCESS 3-1**  
**FINANCIAL PLANNING**

With respect to planning fiscal events (budgeting for all or any remaining part of a fiscal period), the CEO may not jeopardize either pragmatic or fiscal integrity of the organization or violate generally accepted accounting principles.

Accordingly, the CEO may not cause or allow budgeting which:

1. Contains too little detail to enable reasonably accurate projection of revenues and expenses, cash flow, separation of capital and operational items and subsequent audit trails.
2. Plans the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period.
3. Reduces the current assets any time to less than twice current liabilities or allows cash reserves to drop below a level as established by the Finance Committee and approve by the board annually.
4. Deviates materially from Board stated priorities (3-7) in its allocation of budgetary resources.
5. Fails to be derived from the administrative strategic plan (3-8).
6. Fails to provide MIBOR volunteer expense reimbursement as follows:
  - a. President: Attendance at NAR Washington meeting, Leadership Conference, and Annual Convention including transportation and meal expense for spouse/partner; Indiana Association of REALTORS® (IAR) semi-annual meetings; and other expenses related to the position throughout the year as President.
  - b. The President shall be advanced \$3,000 for travel and incidental expenses per year, payable at the first Board meeting incurred while performing the duties of the President. The President shall receive a mobile phone package for one year or be reimbursed for per minute charges.
  - c. President-Elect: Attendance at NAR Washington meeting, Leadership Conference, and Annual Convention with spouse/partner allowance up to \$750 per meeting, IAR semi-annual meetings; and other expenses related to the position throughout the year as President-elect.
  - d. Secretary/Treasurer and Secretary/Treasurer-Elect: Reasonable expenses related to the position throughout the year as Secretary/Treasurer and Secretary/Treasurer-Elect. MIBOR shall reimburse both the Secretary/Treasurer and Secretary/Treasurer-Elect for attendance at the NAR Washington meeting, NAR Annual Convention, and IAR semi-annual meetings.
  - e. MIBOR/NAR Directors: \$150 per division represented by the elected director per year payable at the First Board meeting to be used to defray expenses incurred in linking to the membership throughout the term as Director. It is intended to cover such outlays as: District or Division dues or lunch fees, and registration for MIBOR functions (e.g. annual meeting, local travel). Two tickets to the President's Ball will be provided.
  - f. Up to \$1,500 per year for attendance at the NAR Midyear meeting. Attendance at designated meetings and a written report are required to receive reimbursement.

- g. NAR Committee Members: \$250 per day, up to a maximum of \$750 per meeting, for attendance at NAR Washington meeting and NAR Annual convention (held outside the Indianapolis Standard Metropolitan Statistical Area). Eligible days correspond to the actual dates of the meeting.
- h. IAR Directors: \$200 per day per semi-annual meeting, up to a maximum of \$500 per meeting. Receipts required.
- i. REALTORS® Political Action Committee (RPAC) Campaign Development Chair: Up to \$1,500 per meeting for attendance at NAR RPAC meetings and expenses related to the position throughout the year shall be reimbursed.
- j. One night's stay at the designated hotel for IAR semi-annual meetings and up to \$50 meal allowance per meeting plus reimbursement for mileage outside of the metro area.



**POLICY 3: EXECUTIVE LIMITATIONS**  
**APPENDIX #1 TO 3-1**  
**FINANCIAL PLANNING**

This policy outlines reimbursable expenditures for members traveling on behalf of the Board. This policy has been approved to help define reasonable expenses and to:

1. Ensure compliance with minimum Internal Revenue Service (IRS) requirements.
2. Ensure that members are reimbursed on a fair and equitable basis.
3. Avoid undue record-keeping and reimbursement delays.

MIBOR will not reimburse expenses submitted which are not in compliance with IRS requirements or this appendix. In those cases where expenses are not reimbursed, a memorandum will be attached to our reimbursement check indicating how much was not in compliance. You will be instructed to resubmit any items to the Finance Director if you feel there are special circumstances which make these expenses reimbursable. The Secretary/Treasurer will review the circumstances and approve at his or her discretion.

1. Timeliness
  - a. All expenses must be submitted on an expense report within 60 days of the completed trip and/or within the same calendar year.
2. Receipts
  - a. MIBOR requires original receipts for any expense of \$20 or more. We strongly recommend that receipts be included for all expenditures, regardless of dollar amount. Receipts should be stapled to expense report when submitting.
3. Reimbursable Expenses
  - a. Air Transportation: Staff will make travel arrangements; however, Board members are free to make your own arrangements under the following requirements:
    - i. Coach Class
      - \*unless Board member wishes to pay the difference to fly business or first-class.
    - ii. Purchase tickets as far in advance as possible to take advantage of lowest cost fares.
    - iii. If a Board member chooses to drive instead of fly to a meeting, reimbursement will be based on reasonable costs. But in no case will MIBOR reimbursed for costs which, in total, exceed the applicable coach fare.
  - b. Ground Transportation: You will be reimbursed for all business-related costs.
  - c. Personal Automobile:
    - i. Reimbursed rate is established annually by MIBOR for miles driven on MIBOR business.
    - ii. Parking costs will be reimbursed as incurred.
    - iii. Tolls will be reimbursed as incurred.

- d. Rental Car: Consult staff. Rental cards are reimbursable only when other methods of transportation are not reasonably obtainable. If it is necessary to rent a car, the following will apply:
  - i. The Collision damage waiver must be purchased. (This is to ensure that you will not be liable for out-of-pocket expenses should an accident occur.)
  - ii. Parking costs will be reimbursed as incurred.
  - iii. Tolls will be reimbursed as incurred.
- e. Lodging:
  - i. Lodging may be arranged by staff.
  - ii. Cancellations: Should you find it necessary to cancel your hotel reservations, it is your responsibility to contact staff during business hours or the hotel after business hours so that MIBOR is not charged for a “no show”.
- f. Taxi and Bus: While at a MIBOR meeting, business-related charges will be reimbursed.
- g. Tips: Tips will be reimbursed.
- h. Meals and Incidentals:
  - i. Meals will be reimbursed, including tips.
  - ii. When dining with other members, record amount under “Guest Entertainment” and list guests on reverse of expense report form.
  - iii. Driving to a meeting in lieu of traveling by air, meals and incidentals will be reimbursed for one travel day each way.
- i. Telephone/Internet Access:
  - i. MIBOR business calls and internet access fees are reimbursable.
  - ii. Air-to-ground calls are not reimbursable.

NOTE: Hotels are benefiting from phone calls by adding a surcharge to call if it is made from a guest room. Cell phone usage is encouraged.

4. Non-Reimbursable Expenditures:

The following miscellaneous travel expenses are NOT reimbursable:

- a. Personal entertainment (e.g. in-room movies and airline headphones)
- b. Purchase of books or magazines
- c. Personal grooming services
- d. Physical fitness facilities

**POLICY 3: EXECUTIVE LIMITATIONS**  
**PROCESS 3-2**  
**FINANCIAL CONDITION**

With respect to the actual, ongoing condition of the organization's financial health, the CEO may not cause or allow MIBOR's finances to be jeopardized or the intended allocation of resources to be compromised.

Accordingly, the CEO may not:

1. Expend more funds than have been received in the fiscal year to date.
2. Indebt the organization beyond the accounts payable necessary in the normal course of business.
3. Use any funds from long-term reserves.
4. Allow cash to drop below the amount needed to settle payroll and debts in a timely manner.
5. Allow actual allocations to deviate materially from Board-stated priorities (1-1).

**POLICY 3: EXECUTIVE LIMITATIONS**  
**PROCESS 3-3**  
**ASSET PROTECTION**

With respect to proper stewardship of the corporation's assets, the CEO may not risk losses beyond those necessary in the normal course of business. Accordingly, the CEO may not:

1. Fail to insure against embezzlement, casualty losses to full replacement value and against liability losses (to Board members, staff or the organization) to beyond the minimally acceptable prudent level.
2. Allow unbonded personnel and volunteer's access to material amounts of funds.
3. Subject plant and equipment to improper wear and tear or insufficient maintenance.
4. Unnecessarily expose the organization, its Board, members, or staff to claims of liability.
5. Purchase items and/or services:
  - a. Without periodic confirmation of competitive pricing for items/services costing over \$4,000;
  - b. Without Board approval on singular purchases of items/services costing more than \$25,000, which have not been identified specifically in the operating or capital budgets.
6. Disburse funds under controls insufficient to meet the Board-approved auditor's standards.
7. Invest operating capital in insecure instruments, including uninsured checking accounts and bonds of less than AAA rating.

**POLICY 3: EXECUTIVE LIMITATIONS**  
**PROCESS 3-4**  
**STAFF TREATMENT, COMPENSATION, AND BENEFITS**

With respect to treatment of paid and volunteer staff, the CEO may not cause or allow conditions that are inhumane, unfair or undignified.

Accordingly, CEO may not:

1. Discriminate among employees on other than clearly job-related, individual performance/ qualifications.
2. Subject staff to unsafe or unhealthy conditions.
3. Withhold from staff a due-process grievance procedure, able to be without bias.
4. Prevent staff from grieving to the Personnel Committee (3-4 Appendix #1) when the following conditions are met:
  - a. Internal grievance procedures have been exhausted; and
  - b. The employee alleges:
    - i. That Board policy has been violated to his/her detriment or
    - ii. That Board policy does not adequately protect his/her human rights.
5. Fail to provide written job descriptions for each staff position and conduct formal performance reviews at least annually.
6. Fail to provide an adequate personnel and policy manual which has been reviewed by legal counsel.

With respect to employment, compensation, and benefits for employees, consultants, contract workers and volunteers, the CEO may not cause or allow jeopardy to fiscal integrity or public image.

Accordingly, the CEO may not:

1. Change the compensation or benefits of the CEO established by the Personnel Committee and approved by the Board.
2. Promise or imply permanent or guaranteed employment.
3. Establish compensation and benefits for staff that:
  - a. Deviate materially from the geographic or professional market for the skills employed.
  - b. Create obligations over a longer term than revenues can safely be projected, in no event longer than one year and in all events subject to losses of revenue.
4. Establish or materially change any deferred or long-term compensation or benefits.

**POLICY 3: EXECUTIVE LIMITATIONS**  
**APPENDIX #1 TO 3-4**  
**STAFF TREATMENT; COMPENSATION AND BENEFITS**

**PERSONNEL COMMITTEE**

**Role:**

The Personnel Committee shall review the performance of the CEO (4-3). The Committee shall review services provided by the Legal Counsel (3-4). The Committee shall be the forum to which a staff member might grieve per Policy 3-4, paragraph 4. The Committee may also serve as a sounding board on personnel matters for the CEO. The Committee shall be the forum to which a staff member, Director or Officer may grieve under Harassment, Section 6.6, in the By-Laws. The Committee may also conduct exit interviews for staff.

**Members:**

The Committee shall consist of the President, President-Elect, and three current Directors, one from each of the three terms ("classes"). The Committee members serve for the duration of their term in their respective positions.

Appointment of new members is made by the current President-Elect and is ratified by the Board. The Chair of the Committee shall be the senior Director.

**Process:**

Each Committee member will receive an appraisal form to rate the CEO on the first Monday in November and will complete and return it within ten (10) days to the Committee Chair. A Committee meeting will be held to review the summary of the five (5) appraisals (the incoming President-Elect and new Director member will sit through the review). It will also recommend any salary considerations. The Committee and the President will meet with the CEO and review the CEO's appraisal. (NOTE: The CEO may have some response.) The Chair delivers appraisal and compensation recommendation to the full Board at its December meeting. Upon ratification, the Chair and President will deliver final message and compensation determination to the CEO in writing prior to year-end.

**POLICY 3: EXECUTIVE LIMITATIONS**  
**PROCESS 3-5**  
**COMMUNICATION AND COUNSEL TO THE BOARD**

With respect to providing information and counsel to the Board, the CEO may not cause or allow the Board to be uninformed or misinformed. Accordingly, the CEO may not:

1. Allow the Board to be unaware of MIBOR events, correspondence addressed to the Board, relevant trends and technologies, material external and internal changes, particularly changes in NAR and IAR policies and guidelines and in the assumptions upon which any Board policy has previously been established.
2. Fail to submit the required monitoring data (4-3) in a timely, accurate and understandable fashion, directly addressing provisions of the Board policies being monitored.
3. Fail to marshal as many staff and external points of view, issues, and options as needed for fully informed Board choices.
4. Fail to consult focus group(s) when planning or changing a member service.
5. Present information in unnecessarily complex or lengthy form.

**POLICY 3: EXECUTIVE LIMITATIONS**  
**PROCESS 3-6**  
**EXECUTIVE SUCCESSION**

With respect to protecting the Board from sudden loss of chief executive services, CEO may not cause or allow insufficient executive back-up. Accordingly, the CEO shall have at least one other Department Director familiar with Board processes and CEO issues.



**POLICY 3: EXECUTIVE LIMITATIONS**  
**PROCESS 3-7**  
**IMPLEMENTATION OF RESULTS AND PRIORITIES**

In achieving the Results and Priorities, the CEO may not:

1. Fail to follow the applicable rules of REALTOR® organizational operations as prescribed by NAR, IAR, and the MIBOR Bylaws.
2. Fail to utilize as fully as possible the resources of NAR and IAR.
3. Publish or revise legal forms for Members' use or rules for the BLC® listing service without the approval of the Board.
4. Cause or allow insufficient backup with respect to the operation of the BLC® listing service. Accordingly, the CEO shall:
  - a. Maintain a detailed, up-to-date BLC® listing service administrative job description;
  - b. Have an administrative staff familiar with BLC® listing service and information services and technology issues and processes;
  - c. Have a BLC® listing service vendor who is knowledgeable and informed regarding issues and processes;
  - d. Develop and maintain a pool of BLC® listing service users consisting of, but not limited to, Owners/Managers, salespeople, and industry specialists (i.e. Commercial/Industrial brokers, appraisers, etc.) who are knowledgeable and informed regarding issues and processes; and
  - e. Maintain governmental data, as available, in BLC® listing service and update as necessary and requested by the Board; e.g. assessor's/treasurer's information.

**POLICY 3: EXECUTIVE LIMITATIONS  
PROCESS 3-8  
STRATEGIC PLAN**

The CEO may not operate without a Board-approved strategic plan on file and recorded with the Board.

## **POLICY 4: BOARD/STAFF RELATIONSHIP**

### **PROCESS 4-1**

#### **DELEGATION TO THE CEO**

The Board's job is generally defined as establishing policies, leaving implementation and policy development to the CEO. "Results and Priorities" (Policy 1) direct the CEO to act within acceptable boundaries of prudence and ethics. All Board authority delegated to staff is delegated through the CEO, so that all authority and accountability of staff can be phrased – insofar as the Board is concerned – as authority and accountability of the CEO.

1. The CEO is authorized to establish further policies, make decisions, take actions, and develop activities which are true to the Board's policies. The Board may, by extending its policies, rescind certain delegated areas of the CEO's authority, but will respect the CEO's choices so long as the delegation continues. This does not prevent the Board from obtaining information about activities in the delegated areas.
2. No individual Director, Officer, or committee has any authority over the CEO. Information may be requested by such parties; but if such request, in the CEO's judgment, requires a material amount of staff time, it may be refused.
3. Acting with the blanket authority granted in point #1 above, the CEO may not perform, allow, or cause to be performed any act which is unlawful or insufficient to meet commonly-accepted business and professional ethics or the "prudent person" test, in violation of funding sources requirements or regulatory bodies or contrary to explicit Board constraints (Policy 3) on executive authority.
4. Should a situation arise wherein the CEO deems it unwise to comply with a Board policy, the CEO shall inform the Board. Informing is simply to guarantee no violation may be intentionally kept from the Board, not for the purpose of receiving approval. Board response at that time does not exempt the CEO from subsequent Board judgment of the action.

**POLICY 4: BOARD/STAFF RELATIONSHIP**  
**PROCESS 4-2**  
**CEO JOB CONTRIBUTIONS**

The CEO is the Board's single official link to the operating organization. The CEO is accountable for organizational performance and exercises authority transmitted into the organization by the board.

Inasmuch as the Board governs through explicit and succinct policies, the CEO's job contributions can be stated as performance in only two areas:

1. Organizational accomplishment of the provisions of Board policies on "Results and Priorities" (1-1).
2. Organizational operation within the boundaries of prudence and ethics established in Board policies on "Executive Limitations" (3-1 through 3-8).

Consequently, CEO performance will be considered to be synonymous with organizational performance as a whole.

**POLICY 4: BOARD/STAFF RELATIONSHIP**  
**PROCESS 4-3**  
**MONITORING CEO PERFORMANCE**

Monitoring CEO performance is synonymous with monitoring organizational performance against Board policies on “Results and Priorities” and on “Executive Limitations.”

Monitoring will be done in accordance with the planning cycle (2-4).

1. The purpose of monitoring is to determine the degree to which Board policies are being fulfilled.
2. The Board will choose to monitor each “Results and Priorities” (1-1) and “Executive Limitation” (3-1 to 3-8) in one or more of three ways:
  - a. CEO Report: Disclosure of compliance information to the Board from the CEO.
  - b. External Report: Discovery of compliance information by a disinterested, external auditor, inspector, or judge who is selected by and reports directly to the Board. Such reports must assess the CEO’s performance only against policies of the Board and not of the external party, unless the Board has previously indicated that party’s opinion to be the standard.
  - c. Director or Officer Report: Discovery of compliance information by a Director, Officer, or committee/task force of the Board or the Board as a whole. This is a direct inspection of organizational results which allows a “prudent person” test of policy compliance (4-1(3)). The CEO shall provide appropriate detail from staff committees.
3. Upon the request of a Director and vote of the Board, any policy can be monitored at any time. However, the “Results and Priorities” (1-1) and “Executive Limitations” (3-1 to 3-8) policies of the Board will be classified by the Board according to frequency and method of regular monitoring as determined in annual planning cycle (2-4).