

Northeast Central Association of REALTORS®



Policy Manual

Approved by Board of Directors June 22, 2015
Revised by the Board of Directors October 27, 2015
Revised by the Board of Directors July 2, 2019

The purpose of this manual is to have on record basic policies and guidelines for members and board staff. Changes to this policy manual can be made by a majority vote of the Northeast Central Association of REALTORS® board of directors. This policy manual in no way supersedes or circumvents the bylaws of the Northeast Central Association of REALTORS®.



Financial Policies

Financial Reports & CPA Review

Financial reports reflecting the financial condition of Northeast Central Association of

REALTORS® (NECAR) will be maintained by the Association Executive (AE) and presented to the Board of Directors by the treasurer at the board of directors meetings. The financial reports shall include a statement of assets, liabilities and fund balance, and statements of revenue with a comparison of the overall annual budget.

The Finance Committee shall audit the financial records of NECAR on a quarterly basis. The Finance Committee shall present an administrative report to the NECAR board of directors.

At the end of each fiscal year the board of directors shall contract with a certified public accounting firm who shall review the financial statements of NECAR and complete necessary federal and state tax returns, and provide general financial advice as requested. The AE will prepare 1099 forms, file the annual state registration report and provide and retain financial information as needed.

To meet the Core Standards required by the National Association of REALTORS®, this association must have an annual audit or review conducted by a CPA. If the association's annual gross revenue is below \$50,000 only a compilation report will be required. If the need arises, the Board of Directors can call a full audit by an independent CPA firm.

Account & Contract Signatories

The AE, President, Vice President and Treasurer shall serve as signers on all financial accounts regarding NECAR. The AE, President, Vice President, and Treasurer shall serve as signers on all financial accounts regarding NECAR MLS. Two signatures are necessary on checks or withdrawals. The Association Executive and Board President shall have joint signature authority for contract agreements entered into on behalf of NECAR. (rev. 6/2019)

Unauthorized Expenditures

The Association Executive shall be granted permission to spend board funds in the amount of \$50 or less, for board expenditures, without prior approval.

Reserve Policy

The reserve policy of the NECAR is to maintain sufficient funds in reserve account to allow the Board Leadership team and staff to manage the finances of the Board prudently and with the flexibility necessary to accommodate unprecedented changes in income levels.

It is the intention of the Board to fund the reserve account to the cap maximum, though such funding may take place over more than one year. Once the reserve fund has reached its cap, funding will cease and additional interest earned will be treated as general income.

Operating Reserve (Restricted)

- Allocation: \$100 a year until fully funded to three full months of the current year's average budgeted expenses.

- Purpose: To maintain funds to be used in the event of an emergency that would curtail the normal income of the board or require unbudgeted expenditure of the board.
- In the event of an annual operating surplus, the Finance Committee may make recommendation to the Board of Directors to add additional funds to the reserve fund account. These funds would be in addition to the annual required allocation.
- The Finance Committee shall have the authority to approve withdrawals from the Operating Reserve Fund in furtherance of the stated purpose and shall provide notification to the Board of Directors that such withdrawal was made.
- Funds may be withdrawn from the Operating Reserve Fund for purposes other than those specified in this policy upon recommendation by three-fourths (3/4) vote of the Finance or Executive Committee and a two-thirds (2/3) vote of the Board of Directors.

Unrestricted Funds

- Any funds collected over the annual budget amount that are not designated to a particular use or restricted for a specific purpose.

Financial Institution and Investment Policy

The Board of Directors will designate the financial institutions for all funds. The finance committee will research and recommend to the board of directors, investment avenues for all reserve accounts, operating accounts, and unrestricted funds.

Annual Dues Billing

Annual REALTOR® dues, which include NAR, MAR & NECAR, will be invoiced out the first week in October and will be due on or before January 1st of the following year.

Annual MLS dues will be invoiced out the last week of March and will be due on June 1st of that same year.

IDX billing will be invoiced out the last week of March in conjunction with the MLS dues and will be due on June 1st of that same year.

Invoices will be mailed and/or emailed to the address filed with the NECAR office.

Late Fee

- A late fee of \$100 each month delinquent will be assessed not to exceed 3 months on all membership dues invoices.
- In the event that a member does not meet the 60 day new member orientation requirement, the new member application will be brought to the Board of Directors for review. In the event that the review allows a grace period of 5 business days to complete the New Member Orientation Training, the new member will pay the Northeast Central Association a late fee of \$100.00.
- In the event that the Board of Directors review allows a grace period of 5 business days to complete the New Member Code of Ethics Training, the new member will pay the Northeast Central Association a late fee of \$100.00.

Reactivation Fee

In the event that invoices are not paid in full by the due date listed on the invoice, members will be directly inactivated from the NRDS system and the MLS system if applicable. Subsequently if a member becomes inactivated from the system, and upon written request to be reactivated, the member shall be responsible to pay all unpaid dues and a reactivation fee equal to the late fees accrued for each month delinquent, with the reactivation fee not to exceed \$300.

Application Fee

- A one-time \$55 application fee will be assessed for each new member regarding NECAR membership.
- A one-time \$50 application fee will be assessed for each new member regarding MLS membership.
- A one-time \$300 Office fee will be assessed for each new office joining the MLS membership.

Returned Checks

Any bank service charge that is a result of a members returned check due to insufficient funds will be charged to the member plus a \$25 processing fee.



New Agent Member Orientation and Code of Ethics Training Policy

1. Agent members will receive the New Agent Checklist, REALTOR® application, MLS application (if applicable), with Membership Packet that indicates New Member Orientation and the Code of Ethics Training as a requirement of NECAR membership. They will also receive a copy of the NECAR By-Laws, (MLS Rules and Regulation if applicable) and NECAR Financial Policy.
2. All new members are required to complete an online New Member Orientation. Once the membership application has been approved and dues have been paid, the new member will receive an e-mail from the NECAR AE with orientation guidelines and instructions. (rev. 6/2019)
3. During the New Agent Member Orientation, members will receive information that includes available resources for completing the required Code of Ethics training online.
4. 30 days after provisional membership has been granted, if new member has not completed the New Agent Orientation, the AE/Orientation Output Group will send an e-mail to the New Member and the Broker to remind them of the 60 day membership requirement to complete New Member Orientation. (rev. 6/2019)
5. 61 days after provisional membership, In the event that a member does not meet the 60 day new member orientation requirement, the new member application will be brought to the Board of Directors for review. In the event that the review allows a grace period of 5 business days to complete the New Member Orientation Training, the new member will pay the Northeast Central Association a late fee of \$100.00.
7. 80 days after provisional membership the AE will run a Code of Ethics report and if the new member has not completed the training, an email is sent to the Member and the Broker. The letter will indicate that their membership will be suspended if training is not completed within the 90 day period after provisional membership.
8. 91 days after provisional membership the AE will run a Code of Ethics report and send to the Board of Directors for Review. Upon review the AE will then send out a letter to the member and the Broker indicating that “they will have an opportunity to appear before the Board of Directors, to call witnesses on his behalf, to be represented by council and to make such statements as he deems relevant.”
NECAR BY-LAWS
9. Per NECAR By-Laws “Failure to satisfy this requirement within 90 days of the date of application (or alternatively, the date the provisional membership was granted) will result in denial of the membership application or termination of provisional membership.

In the event that the Board of Directors review allows a grace period of 5 business days to complete the New Member Code of Ethics Training, the new member will pay the Northeast Central Association a late fee of \$100.00.