



BOARD POLICIES & PROCEDURES MANUAL

Revised and approved 12.20.2023

**The Multiple Listing and Information Service, Inc. dba
THE SOUTHERN NEW MEXICO MULTIPLE LISTING SERVICE**

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Chapter 1

Developing Board Policies

Purpose 1.1

The Board of Directors (hereinafter referred to as the “Board”), of the Multiple Listing and Information Service, Inc. dba the Southern New Mexico Multiple Listing Service as the governing body, is entrusted with the authority to establish policies for the governance of the Southern New Mexico Multiple Listing Service (herein after referred to as “SNMMLS”). Board policies establish the parameters and guidelines for Board members, committees, management and staff.

The purposes of these policies are to:

- inform everyone of Board intent, goals and aspirations.
- prevent confusion among Board members, staff and the Participants.
- promote the consistency of Board actions.
- eliminate the need for instant (crisis) policy making.
- reduce criticism of the Board and management.
- improve public relations.
- clarify the roles of Board members, Association Executive and staff.
- give management a clear direction from the Board

Management policies are not Board policies 1.2

The Board makes an important distinction between Board policies and management policies. Board policies establish the broad parameters within which the Board, management and staff will operate. Management policies, developed and implemented by the Corporate Executive Officer (hereinafter referred to as the “AE”), outline the specifics of how the organization and staff will operate within Board policies.

Personnel policies are an example of management policies developed by the AE. The AE develops the personnel policies appropriate to his/her staff, and has them examined by an attorney familiar with personnel policies. The AE then informs the Board that personnel policies are in place, and provides Board members with copies of the Personnel Policies in the form of an Employee Handbook. The Board is not directly involved with developing personnel policies other than to ensure that the AE has carried out that project

Once the Board officially adopts a new Board policy, that policy is the standard for dealing with the subject matter covered by the policy. If an issue comes before the Board that is not consistent with existing policies, the issue is out of order and will be considered only in terms of policy change.

Policies requires a majority vote of the Board 1.3

All policy decisions will be made by majority vote of the Board and only discussed and voted on in an open Board meeting. Before adopting any policy, all Board members and the membership will be emailed a copy of the proposed policy(ies) seven (7) calendar days in advance of the meeting at which the vote is to be taken.

Source of policies 1.4

Policies may be recommended to the Board by committees of the Board, Board members, SNMMLS members, or the AE. All proposed policies will be researched to ensure that they are legal, and do not contradict already established policies or Bylaws of SNMMLS. If approved or amended by the Board, policies will be written, coded, dated at time of approval and included in all official copies of the Board Policy Manual within seven (7) calendar days.

Considerations for all policies 1.5

All policies proposed to the Board should be evaluated using the following criteria:

- Is it necessary for good operations of SNMMLS?
- Is it consistent with the-strategic plan?
- Is it within the scope of Board authority?
- Is it consistent with local, state and federal law?
- Is it compatible with other policies of the Board?
- Is it broad enough to cover the subject completely?
- Is it enforceable?

Accountability for carrying out policies 1.6

The AE will be accountable to the Board for carrying out these policies, ensuring that all policies are effectively explained to the employees and making every reasonable effort to see that they are understood, accepted and complied with.

Distribution of policy manual 1.7

A copy of the Board policy manual will at all times be available in the SNMMLS office for review and inspection by employees and any current SNMMLS member. Each Board member will be given a revised policy manual annually.

Amendment or suspension of policies 1.8

All policies will be annually reviewed by the Board for accuracy and appropriateness. Recommendations will be made to the Board for amendments, additions or eliminations. Except as otherwise provided by law, any policy of the Board may be suspended, repealed, amended, or waived by a majority vote of the Board, provided that at least seven (7) calendar days advance notice has been given to all Board members of the intention to consider revocation, repeal, waiver, or amendment of a policy.

Data Policies 1.9:

Data Access Types:

Internet Data Exchange (IDX) – IDX is defined by NAR and governed by SNMMLS Rules & Regulations Section 18 & 29.2.

Virtual Office Website (VOW) – VOW is defined by NAR and governed by SNMMLS Rules & Regulations Section 28 & 29.3.

Subscription – Third Party Data Licensing where a vendor signs the SNMMLS attorney approved Subscription licensing agreement and is governed by SNMMLS Rules & Regulations Section 29.4. The licensing agreement is renewed annually and updated to insure current terms and conditions are applied.

Vendor – Vendors who provide services or products to SNMMLS under an approved written contract for services or products and require a data feed to provide the contracted services or products. These agreements are approved by the SNMMLS board typically to provide a service to SNMMLS users.

Special – Other data requests received that are outside the normal data types will be evaluated by the SNMMLS AE and submitted to the SNMMLS Board when having merit to provide SNMMLS Data. SNMMLS AE may approve or deny these requests.

Data Access:

Web Application Program Interface (Web API) will be made available to approved parties utilizing Web API as their primary method of access. Each access will have a logon and password controlled by MLS Grib. This access will be terminated when no longer utilized or at the request of the subscriber or vendor.

Other – Data can be made available utilizing other methods when short term access is required or only specific one-time data access is required and approved. Other methods will be a last resort access type.

Data Fees:

Data access fee will be charged in accordance with established pricing identified in Appendix A of the SNMMLS Rules and Regulations. Special access types will be assessed fees as identified by the SNMMLS Board when approving the access request.

All access fees will be charged in advance and when not received, access will not be given or terminated as appropriate.

Data Agreements:

All access will be with written agreements drafted by an Attorney. These agreements will be reviewed annually for modifications required or any time industrial changes dictate modification to protect SNMMLS. The SNMMLS AE may take these actions without SNMMLS Board approval.

Agreements in effect are to be reviewed annually 30 – 60 days before expiration except when renewal is automatic at a period of greater than 60 days of expiration, then they will be reviewed prior to that time to ensure termination notice or automatic extension is appropriate.

Data Access Terminations:

All data agreements may be terminated by the SNMMLS AE for cause or for non-payment without prior SNMMLS Board approval.

Chapter 2

Corporate Structure/Board Organization

Establishment of the organization 2.1

The Southern New Mexico Multiple Listing Service is a dba of the Multiple Listing and Information Services, Inc. is established as a domestic, for profit, corporation under the laws of this state. It is a wholly owned subsidiary of the Las Cruces Association of REALTORS, Inc. The Board of directors is established as the authority to operate SNMMLS with Bylaws and Board policies.

SNMMLS business will be conducted in accordance with the laws of this state, the corporation's articles of incorporation, Bylaws of the corporation, Board policies and generally accepted business practices that will accomplish the SNMMLS mission.

Authority of the Board 2.2

Each member of the Board, and collectively with all members of the Board, are legally and ethically responsible for all activities of SNMMLS. All members of the Board share in a joint and collective authority which exists and can only be exercised when the group is in session.

Board member commitment 2.3

Serving as a Board member of the SNMMLS involves a very special commitment. To meet that commitment, Board members are expected to:

- ensure adherence to the SNMMLS strategic plan.
- attend and actively participate in all of the Board's meetings and notify the AE or Board President of anticipated absence.
- when absent from a meeting, review minutes and results of the missed meeting.
- do their homework to be prepared to participate fully in Board and committee meetings.
- actively serve.
- act only with the full Board, not individually unless authorized to do so by the full Board.
- speak for the full Board only when the full Board sanctions their doing so by a majority vote of the Board.

Board member rights 2.4

Board members of the SNMMLS are granted certain specific rights. All Board members have the right to:

- receive a seven (7) calendar day notice of Board meetings and the agenda.
- attend and participate in Board meetings.
- examine the SNMMLS books, records, meeting minutes, financial statements, and contracts.
- recommend items for the Board meeting agenda.

Duty of Board members not to compete 2.5

A Board member may not use his/her position on the Board to prevent the SNMMLS from competing with the Board member's business. It is expected that Board members, even after they complete Board service, will not use confidential information acquired by virtue of being a member of the Board.

Soliciting or receiving gifts 2.6

Members of the Board must never offer, give, solicit or receive any form of bribe or kickback through their connection to SNMMLS. Board members must never solicit a personal gift of any kind from anyone who does business with SNMMLS. This restriction applies to both actual and proposed business transactions involving SNMMLS.

Board member conflicts of interest 2.7

Board members have a duty to subordinate personal interests to the welfare of SNMMLS and those we serve. Conflicting interests can be financial, personal relationships, status, or power.

Board members and employees are prohibited from knowingly disclosing information about SNMMLS to those who do not have a need to know or whose interest may be adverse to SNMMLS, either inside or outside SNMMLS. Nor may Board members or employees in any way use such information to the detriment of SNMMLS. Neither Board members nor employees may have a financial interest in any property which SNMMLS purchases, or a direct or indirect interest in a supplier, contractor, consultant, or other entity with which SNMMLS does business.

Since it is not possible to write a policy that covers all potential conflicts, Board members and employees are expected to be alert for and avoid situations which might be construed as conflicts of interest.

Any possible conflict of interest on the part of any Board member should be disclosed to the other Board members and made a matter of record, either through an annual procedure or when the issue becomes a matter of Board action.

Any Board member having a conflict of interest or possible conflict of interest should not vote or use his/her personal influence on the matter. The minutes of the meeting should reflect that a disclosure was made, by whom, and the member recused themselves from voting

These restrictions should not be construed as preventing the Board member from briefly stating his/her position in the matter, nor from answering pertinent questions of other Board members, since his or her knowledge could be of assistance to the deliberations.

All Board members will be required to complete the "Conflicts of Interest" statement. This policy will be reviewed by the Board annually and given to each new Board member for signature during orientation.

Conflict of Interest Statement 2.8

Conflict of Interest Statement

I have read and am familiar with the Board policy concerning conflicts of interest, agree to abide by same during the term of my elected or appointed position and have initialed the line opposite the appropriate paragraph below.

_____ During the past year, neither I, nor to the best of my knowledge, any member of my family has had an interest or taken any action which would contravene the policy of this Board.

_____ During the past year, neither I, nor to the best of my knowledge, any member of my family has had an interest or taken any action which would contravene the policy of this Board, except such interest or action fully disclosed below:

Board member signature _____ Date _____

Legal obligations of Board members 2.9

The Board is both responsible and liable for SNMMLS. The Board and the law require every Board member to follow the rule of the reasonably prudent person and the principle of good faith.

The rule of the reasonably prudent person means the Board will not:

- mismanage SNMMLS by deviating from fundamental management principles, such as planning carefully for the future of SNMMLS, regularly reviewing the financial status of SNMMLS, and monitoring compliance with Board policies.
- fail to govern by utilizing all control systems available to govern SNMMLS.
- be involved in self-dealing that provides personal gain to Board members.

The principle of good faith means that Board members will:

- attend all Board meetings to be a part of Board actions.
- read, understand and follow SNMMLS's policies and Bylaws.
- pay attention to corporate affairs and keep informed about organization activities.
- ensure that SNMMLS is in compliance with legal requirements.

Ethical obligations of Board members 2.10

All Board members will be given a copy of the NAR Code of Ethics and Arbitration Manual and will be expected to adhere to the provisions of that code. All Board members will be required to attend an annual Code of Ethics course.

Legal requirements of Board members 2.11

All Board members will be expected to recognize and accept their legal position as governing agents of SNMMLS. A Board member of SNMMLS occupies the role of a fiduciary with regard to those served. A fiduciary is a person who holds something in trust for another. If Board members violate their trust or fiduciary duty, they may be subject to legal consequences. The duties and responsibilities of Board membership attach automatically when Board members accept the office.

Because there is a certain amount of liability involved with being a Board member, the Board will annually discuss the liability issue to be certain that the Board is adequately insured. Therefore, the AE will annually present an appropriate insurance coverage options for the Board to consider and approve.

Maintaining ethical credibility 2.12

Because the conduct of the Board has a direct impact on public and constituent perceptions about SNMMLS, Board members will maintain an appearance of high credibility in adhering to legal and policy requirements.

Board members will be active and encourage all other Board members to be active by attending meetings, studying, questioning, voting on all issues, monitoring progress and maintaining active committees.

Board members will not condone any conflict of interest on the Board. A generally accepted rule of thumb is that a Board member or his/her family may not receive any gain (tangible or intangible) through the connection with the Board.

Board members will either vote to approve, motion to postpone, or vote against proposed actions if they feel there is insufficient information on which to base an opinion. The minutes of each meeting should be carefully maintained, and all votes properly recorded.

Board members will adopt, by motion, any rules, regulations, policies and budgets.

Board members will keep policy and procedure manuals up to date for ready reference and have rules and regulations available and posted for staff and SNMMLS users.

Board members will review fiscal records and controls at regular intervals.

Board members will ensure that standard budget forms and annual report forms are prepared and filed as required by law.

Political contributions and endorsements 2.13

Members of the Board must never make political contributions on behalf of SNMMLS. If a Board member takes an active part in the political process, it must be done at the Board member's personal expense. SNMMLS will not reimburse anyone for a political contribution.

Board members must not make any direct or indirect political contribution in cash, property, or service on behalf of SNMMLS.

The AE is prohibited from political activities, including making donations for any local, state, or national political campaign of any type. RPAC donations are allowed.

The Board Code of Conduct 2.14

The SNMMLS Board Code of Conduct

As a member of the Board, I will...

- listen respectfully to my fellow Board members, and those served by SNMMLS.
- respect the opinion of other Board members.
- respect and support the majority decisions of the Board.
- recognize that all authority is vested in the Board and not with individual Board members.
- keep well-informed of developments that are relevant to issues that may come before the Board.
- participate actively in Board meetings and actions.
- call to the attention of the Board any issues that are believed to have an adverse effect on SNMMLS or those we serve.
- attempt to interpret and anticipate the needs of SNMMLS users.
- refer constituent or staff complaints to the proper level on the chain of command.
- recognize that the Board member's job is not to manage SNMMLS.
- to ensure that SNMMLS is well managed.
- vote to hire the best possible person to manage SNMMLS.
- represent all SNMMLS users and not a particular graphic area or special interest groups.
- consider myself a "trustee" of SNMMLS and do my best to ensure that SNMMLS is well maintained, financially secure, growing and always operating in the best interests of members.
- always work to learn more about the Board member's job and how to do it better.

- declare any conflicts of interest between my personal or business life and my position on the Board and avoid voting on issues that appear to be a conflict of interest.

As a member of the Board, I will not...

- be critical, in or outside of the Board meeting, of other Board members or their opinions.
- use SNMMLS or any part of SNMMLS for my personal advantage or the personal advantage of my friends or relatives.
- discuss the confidential proceedings of the Board outside the Board meeting.
- prior to a meeting promise how I will vote on any issue in the meeting.
- interfere with duties of the AE or undermine the AE's authority.

The Board Member Confidentiality agreement 2.15

As a requirement for service on the Board, all Board members will be required to read and sign the following confidentiality agreement:

Board Member Confidentiality Agreement

As a member of the Board, I acknowledge the importance of confidentiality with respect to the affairs of SNMMLS. In light of this acknowledgement, I agree to keep confidential, during and after service on the Board, all confidential information acquired pertaining to SNMMLS and any related activities in the course of my term on the Board.

I particularly recognize the sensitivity of information regarding capital decisions, real estate purchases, decisions regarding closures, mergers and other strategic plans that may have impact on SNMMLS's competitive position relative to other organizations.

I agree that this confidentiality agreement includes, but is not limited to:

- Information pertaining to performance of SNMMLS employees or staff including evaluation data, compensation, and grievances.
- issues related to the Board's legal, moral and regulatory responsibility for the oversight of statistical data, risk management information and litigation information, as well as the attitudes and opinions of those who work at SNMMLS.

I understand that it is the Board President's responsibility to address infractions of confidentiality by individual Board members and to take action to remedy the problem. I also understand that if infractions of confidentiality by individual Board members continue, it is the expectation that the Board President, with Board approval, will ask for the resignation of the individual Board member who violates this Confidentiality Agreement.

I agree to resign my Board position if requested by a majority vote of the Board members for any confidentiality infraction.

Board member signature

Date

Board conduct and NAR Code of Ethics policies 2.16

Any Board member who believes that a fellow Board member has acted unethically should first review the current Board code of conduct policy. Board members should not file, or encourage the filing of, ethics complaints that are frivolous and are intended to harm the respondent rather than to protect SNMMLS.

If the Board member continues to believe a fellow Board member has acted unethically, he/she should seek resolution by discussing his/her concerns with the colleague if such discussion is likely to be productive and does not violate any individual's right to privacy.

If this discussion, or other informal attempts to address the concern, fail to resolve the problem, the Board member should bring the concern to the attention of the Board President. If the concern relates to the Board President, the issue should be brought to the attention of the Board's President-Elect.

The Board President may choose to address the concern individually with the SNMMLS user in question or refer the concern to the Executive Committee.

Semi-Annual meetings of the Participants 2.17

There will be a semi-annual meeting of the Participants. Additional meetings may be called by the President as needed.

Board strategic planning 2.18

To ensure that planning is based on the needs and preferences of current and potential participants/subscribers, SNMMLS Board and AE will annually, at the start of each fiscal year conduct a realistic assessment of SNMMLS service capabilities and analysis of trends likely to impact the future of SNMMLS. SNMMLS Board and AE will then annually develop an organizational plan that is based on identified needs and preferences of current and potential participants/subscribers, and appraisal of SNMMLS service capabilities that is based on identified needs and preferences of current and potential members. Upon the strategic plan annual review, the plan will be extended to cover a minimum three (3) year period.

Maintenance and Retention of SNMMLS documents 2.19

All major SNMMLS organizational documents, such as the articles of incorporation, contracts, real estate titles, building blueprints and any other historical or archived documents will be held in a secure location as identified in executive limitations 7.11

All operational corporate documents, contracts, email etc. will be maintained as delineated on the attached "Exhibit A"

Authority to access the documents is vested in the AE.

Perpetuation of the organization 2.20

Continuance of the organization is the responsibility of the Board, and requires that the Board carefully select replacements, as specified in the SNMMLS Bylaws, as Board members leave the Board. Appropriate potential new Board members must be recruited to maintain continuity of the governance of SNMMLS.

The Board will maintain an ongoing recruiting plan to fill Board vacancies with well-qualified candidates and minimal disruption to the Board's work. When selecting new Board members, the Board will attempt to find a broad representation of the membership that will offer diverse perspectives to the Board's decisions.

Nomination and election of Board members 2.21

It is the policy of the Board to nominate and elect to the Board persons who:

- believe in the purpose and mission of SNMMLS.
- will commit completely to the Board member responsibility for SNMMLS.
- will participate actively as part of the Board.
- are community leaders and will advocate in the community for SNMMLS.

The following is a baseline for those who are considering a leadership position with the Association (the intent being to raise the leadership abilities of the Association Leadership).

SNMMLS President

Preferably have served as an active member on an LCAR or NMAR Committee for at least one year or served on the LCAR board or have demonstrable similar experience with other Associations or groups.

Must be a member in good standing of LCAR, minimum of one year.

Is actively engaged in the real estate business.

SNMMLS First Vice President/President-Elect

Preferably have served as an active member on an SNMMLS or NMAR Committee for at least one year or have demonstrable similar experience with other Associations or groups.

Must be a member in good standing a minimum of one year.

Is actively engaged in the Real Estate Business

Preferably has served on the Board

SNMMLS Second Vice President/Treasurer

Preferably have served as an active member on an LCAR, SNMMLS or NMAR Committee for at least one year or has demonstrable similar experience with other Associations or groups.

Preferably has a basic knowledge of accounting principles.

Must be a member in good standing a minimum of one year.

Is actively engaged in the real estate business.

Preferably has served on the Board.

SNMMLS Directors

Preferably have served as an active member on an SNMMLS or NMAR Committee, Task Force or Presidential Advisory Group (PAG) or have demonstrable similar experience with other Associations or groups.

Must be a member in good standing a minimum of one year.

Are actively engaged in the Real Estate Business

NMAR Directors

SNMMLS President will serve as one of the LCAR's slotted Board Members of NMAR*

SNMMLS First Vice President/President-Elect will serve as one of the LCAR's slotted Board members of NMAR*

The Board President will periodically remind Board members and the AE to submit Board candidate recommendations to the Board Development and Nominating Committee.

Terms of office and election procedures are specified in the SNMMLS Bylaws.

Vacancies on the Board 2.22

When vacancies occur on the Board, they shall be filled in compliance with the SNMMLS Bylaws.

Removal of Board members 2.23

It is the policy of the Board to remove Board members who fail to perform their expected duties. A Board member may be removed from the Board because of:

- negligence of Board duties and responsibilities.
- failure to attend Board meetings regularly.
- illegal activity while a member of the Board.
- acting in any manner detrimental to SNMMLS.
- failure to disclose conflicts of interest.
- or as detailed in Article 6.6 of the SNMMLS Bylaws.

Any removal will be in compliance with the Bylaws.

Meeting attendance requirement 2.24

It is the policy of the Board that Board members must attend meetings to maintain governance continuity, to be fully informed about the issues on which they will vote, and to meet their responsibility to contribute to the decisions the Board is required to make.

If a Board member will be absent from all or part of any meeting, the Board member is expected to contact the Board President or the AE as soon as the need to be absent is known.

When a Board member is absent from any Board meeting, the Board President will contact the Board member and remind the Board member of this meeting attendance policy.

The meeting attendance requirement will be in compliance with the SNMMLS Bylaws.

Compensation of Board members 2.25

Board members will not be compensated for service on the Board.

Board member travel 2.26

Board authorization

Authorized corporate travel is defined as travel in connection with the business of SNMMLS which has been directed or requested and approved in accord with SNMMLS policy prior to the departure date.

All requests for corporate travel by Board members will include the purpose of the trip, dates of meetings (if any), anticipated expenses, date of departure and date of return.

Travel for Board members must be approved by the Board.

Prior to departure, a planning meeting for all trip attendees should be held.

Upon completion of the travel, a report must be submitted to the Board to share business information ascertained.

A majority of Board members will not be scheduled simultaneously on the same mode of travel if at all possible.

The following persons are authorized reimbursement of travel expenses when attending meetings/events outlined below:

New Mexico Association of REALTORS® (NMAR) Legislative/Leadership Meetings:

President

First Vice President/President-Elect

AE

NMAR Directors (P & PE)

Association Executives Institute

AE

NAR Midyear Legislative Conference

President

First Vice President/President-Elect

AE

FBS Summit

President

First Vice President/President-Elect

AE

MLS Specialist

NMAR Annual Fall Conference

President

First Vice President/President-Elect

AE

NMAR Directors (P & PE)

CMLS Conference

President

First Vice President/President-Elect

MLS Specialist

National Association of REALTORS® Annual Convention

First Vice President/President-Elect

AE

RESO Conference

AE

First Vice President/President- Elect

MLS Specialist

SNMMLS Committee Chair

Any member and/or staff person traveling to authorized events must attend meetings and be prepared to present an oral or written report on the event(s).

Reimbursement of expenses

All reimbursement of travel expenses to SNMMLS members and employees who travel and/or attend Board approved meetings and events shall be in accordance with the following guidelines. The Board shall annually budget for all travel related expenses. All reimbursements shall be approved by the AE.

1. By approving the annual travel budget, the Board has authorized the AE to make reimbursements as authorized below. Reimbursements will only be made when funds are available.
2. When an individual is partially reimbursed for SNMMLS travel by an organization other than SNMMLS, the amount reimbursed shall be paid to SNMMLS to prevent the appearance of impropriety.
3. Reimbursements will be made only after a complete expense report has been submitted, and approved by the AE with supporting receipts and documentation as required, within three weeks of the completion of travel.

Reimbursement Limitations

President, First Vice President/President-Elect, AE, MLS Specialist and MLS Committee Chair will be reimbursed for all expenses incurred while traveling on approved business, subject to the following limitations:

- a. Airfare shall be at the lowest fares available. When available, “economy” fares shall be paid.
 - b. Ground Transportation, which would normally require reservations, will be handled as described in “a” above.
 - c. Mileage for use of an individual’s personal vehicle will be paid at the current rate allowed by the IRS.
 - d. Automobile Rentals, when necessary, shall be reimbursed. Rentals shall be of intermediate size or smaller unless special discounts or other special arrangements can or have been made to realize greater savings.
 - e. Transfers, (i.e., cabs, shuttles, bus fares, etc.), shall be reimbursed.
 - f. Lodging shall be reimbursed in full. However, if two members traveling on behalf of the SNMMLS use double occupancy, only 50% of the lodging expenses will be paid each person sharing a room.
 - g. Meals shall be reimbursed in an amount not to exceed \$100.00 per day.
 - h. Registration Fees shall be reimbursed.
4. NMAR Directors/Officers will be reimbursed for actual expenses incurred for each of the required State meetings.
 5. Other Association Members or Employees will be reimbursed for actual expenses incurred for expenses which have been previously approved by the Board.

6. Board members canceling travel reservations or creating a “no show” situation for any reservations because of personal preference will be charged any cancellation fees and room charges.
7. Board members may be reimbursed only for out-of-pocket expenses actually incurred. Claimed expenses must be documented by original receipts. No expenses will be reimbursed for friends or relatives accompanying a Board member on SNMMLS business. No expenses will be reimbursed for non-business-related travel or extension of stay beyond completion of the business for SNMMLS.
8. Some expenses can be deemed unreasonable, unnecessary, or extravagant. Such charges (e.g., in room premium movies, etc.) will be deemed personal and not reimbursable without compelling cause and at the discretion of the Board.

Directors' and officers' errors and omissions insurance 2.27

It is the policy of SNMMLS to provide directors and officer’s liability insurance through the coverage provided by the National Association of REALTORS®. The AE will annually determine the need for additional insurance and will report the same to the Board of Directors.

Board legal counsel 2.28

The Board will annually designate legal counsel to serve the needs of SNMMLS. Legal counsel may be requested to attend Board meetings by request of a majority of the Board members or at the mutual agreement of the Board President and the AE. SNMMLS may have more than one legal counsel when specialized counsel is required.

Only the Board President, the AE or their designee may contact legal counsel on behalf of the Board. Costs billed to SNMMLS and associated with individual Board members contacting legal counsel, auditors or other professional consultants without specific authority will be billed to the member making the unauthorized contact.

Board correspondence 2.29

Correspondence from the Board will be approved by the Board or the President. Except for reports which are legally required to be sent out under the Secretary’s name, all correspondence from the Board will be under the President’s or AE’s name. All correspondence from the Board will be written on SNMMLS stationery and will be prepared by the AE as directed. Use of SNMMLS letterhead will be limited to official business.

No material or information disclosed in executive sessions of the Board will be released, or discussed, to any unauthorized person.

Affiliations 2.30

It is important that SNMMLS affiliate with other organizations such as local, state and national associations. Therefore, the Board will include expenses for membership fees in the annual budget. The Board will annually review all affiliations and assess the cost-effectiveness of each before the expense is included in the annual budget.

Board members speaking for the Board to the public or media 2.31

The President shall speak to the public and media on behalf of SNMMLS. Individual Board members may not speak to the public or the media on behalf of SNMMLS unless authorized by the Board. When speaking about SNMMLS or about Board actions, Board members should be careful to define when their remarks represent personal opinion and when their remarks represent official Board position. Board members must be aware that they are always seen as Board members even when they designate comments as personal.

Authority of Board members 2.32

Board members have authority only when acting as a body in regular or special meetings of the Board.

The Board will not be bound in any way by any statement or action by any individual Board member except when such statement or action is in accordance with adopted Board policies and a resolution authorizing same by the Board.

Board member term limitations 2.33

Term limitations will be in compliance with the SNMMLS Bylaws.

Political and legislative activity 2.34

To ensure that SNMMLS supports legislative issues which further the interests of those we serve, and oppose legislative issues detrimental to our mission, the following guidelines are established:

- Board members and employees are free, as individuals, to participate in political activity.
- Board members and management of SNMMLS should be aware that, because of their position, they should exercise discretion at all times when endorsing a political candidate or issue.
- The LCAR Board is responsible for setting legislative goals for SNMMLS and will annually discuss pending and potential legislative issues. The Board, in conjunction with the Legislative Committee will develop a report on the official SNMMLS position on those issues. The report will be distributed, as appropriate, to Board members, staff, members, legislators, constituents, and other interested parties.

Board member orientation and development 2.35

The Board believes that professional development for Board members is vital to good governance of SNMMLS. Therefore, all Board members will be given, prior to taking office, an orientation about SNMMLS, Board operations, finance, Board ethics, responsibility and liability prior to the January Board meeting.

The Board will also include in the annual budget a line item for Board development. The line item will pay for publications and materials to assist the Board to learn the job, training and

in-service programs oriented to Board operations and travel to conferences and conventions that will assist Board members to develop governance skills.

Board member orientation 2.36

The following will be the guide for the orientation of all new Board members:

I. Mission / Values / Strategic Plan of SNMMLS

II. Term of office

- A. Board meeting schedule
- B. Board/committee structure
- C. Expectations of attendance
- D. Appointments/removal

III. Responsibilities

- A. Board member job description
- B. Board Bylaws
- C. Board officers and responsibilities
- D. election of officers
- E. meetings of the Board (regular and special)
- F. quorum
- G. conduct of meetings
- H. conflicts of interest
- I. the Code of Ethics
- J. liability insurance
- K. expectations of the AE
- L. attendance at conferences
- M. expense vouchers
- N. abbreviations and acronyms used at SNMMLS
- O. Board goals
- P. strategic plan
- Q. code of conduct

IV. Organizational overview

- A. organizational chart
- B. annual report
- C. area served
- D. financial audit or review
- E. management contract
- F. monthly financial reports
- G. relationships with other organizations
- H. IT Contractor / Relationship / Contract

V. Board policies

VI. SNMMLS services and programs

Board members as advocates for SNMMLS 2.37

Board members are potentially the most powerful advocates for SNMMLS programs and services and are expected to take an active role in promoting SNMMLS. Advocacy opportunities for Board members include fund raising, legislative lobbying and public relations.

The AE will regularly bring opportunities for Board member advocacy to the Board.

Measuring participant/subscriber needs and concerns 2.38

The Board recognizes the importance of getting feedback from those we serve. Therefore, the Board will regularly survey participants/subscribers for feedback about SNMMLS programs and services. Surveys may be done through a variety of methods such as focus groups and written or electronic surveys. Information gathered should include, but not be limited to:

- satisfaction with programs and services.
- reaction to potential new programs and services being considered.
- ideas for improvement of current programs and services.
- ideas for new programs and services to meet member needs.
- facilities and equipment

The AE will be responsible for conducting the surveys. Results of the member satisfaction surveys will be reported to the Board prior to the SNMMLS strategic plan annual review. Information gathered will be used to develop the SNMMLS Strategic plan.

Requests for corporation information from SNMMLS 2.39

From time to time the public/members will request information or records from SNMMLS. To protect the corporation and those we serve, information will be released only under the following conditions:

- All requests for information, other than routine public information, about SNMMLS will be channeled to the AE for a decision based on legal advice as needed.
- Information about personnel matters will not be released.
- Information discussed in executive session of the Board will not be revealed except as required by the Bylaws.
- Proprietary information that could have an adverse effect on SNMMLS finances will not be released.

- Matters considered confidential under state and/or federal law will not be released.
- Information about legal matters which might have an adverse effect on SNMMLS will not be released.
- Financial statements for SNMMLS will be available in the AE's office and available only to participants. An appointment must be made to view the statements in the SNMMLS office. No copies will be made of the financial statements.

Public communications 2.40

It is the Board's policy to encourage the release of information to the public regarding programs, Board activities and consumer concerns. That communication will:

- maintain integrity in dealing with the public and the news media. The President (or designee) is the official spokesperson and shall provide the news media with a formal channel of communication.
- use various news media for the promotion of SNMMLS programs and raise the community consciousness regarding SNMMLS services and programs.
- convey information in an accurate and honest way consistent with other related Board policies.

Board member management of staff and public concerns 2.41

When a Board member is contacted by a staff member or member of the general public who has a concern or complaint about SNMMLS or persons within SNMMLS, the Board member will follow the following procedures:

- Remember that individual Board members have no power or authority to speak or act for SNMMLS
- Listen to the person's concern.
- Refer complaints, other than staff complaints, to the official complaint form available in the administrative office. Refer Ethics or arbitration complaints to the AE.
- Inform the President of the complaint or concern immediately.
- All staff complaints or concerns shall be immediately directed to the AE or President unless the complaint or concern is directed at the AE or President respectively

Guidelines for processing public complaints 2.42

From time-to-time situations may occur that create legitimate complaints on the part of the public or members relative to SNMMLS. Complaints must be aired so that all sides of the issue may be heard, and a rational procedure/solution found.

Anyone having a complaint is encouraged to file the same in writing. All complaints must be signed by the person originating the complaint. The nature of the complaint should be

stated as well as the relief sought. No Code of Ethics complaints will be processed under this policy statement.

Process for persons other than SNMMLS staff to file a complaint 2.43

Each step in this procedure will give consideration to the complaint and will be a review of facts. Each individual receiving the complaint will issue a written response within fourteen (14) calendar days. If remedy is not achieved through the steps, the Board is the final hearing body.

STEP I -- Formal Process -- The formal process begins with the person filing the complaint. He/she prepares a written statement containing his/her name, address, email address and telephone number; the condition, situation, or individual being complained about and why as well as the requested remedy. The form should be signed, dated and filed with AE.

STEP II -- If the complainant is not satisfied with the decision of the AE, they may submit a copy of the complaint to the Board within (10) days of receiving the AE’s decision.

STEP III -- Within (20) days, the Board will conduct a hearing, from which it shall gather testimony and/or other pertinent information on which to base a decision. Once able to reach a decision, it will do so in writing to the complainant. This decision is final.

SNMMLS Official Complaint form 2.44

SNMMLS Official Complaint Form

Date: _____

Person filing complaint:

Cell Phone: _____ Email: _____

Where can you be reached (Address):

Explain nature of complaint:

Requested remedy:

Response #1: (Level--AE)

Response #2: (Level—Board of Directors)

Guidelines for Appeals of Violations of the Rules and Regulations 2.45

Participants and Subscribers have 20 days from the Notice of Violation to file an appeal. Appeals must be in writing and emailed to the AE at ceo.lcar2016@gmail.com. The AE will place the appeal on the next Board of Directors Agenda (the Agenda deadline is the third Wednesday of each month). Appellants have the right to appear and present their argument(s) to the Board of Directors.

Annual report 2.46

It is the responsibility of the AE to assemble and distribute an SNMMLS annual report.

The annual report may contain:

- reports from chairpersons
- a report from the President
- highlights of the year
- information regarding type, quantity and services available

The annual report should receive wide distribution, which may include the Board, staff, members, news media and funding sources.

The Target date for annual report publication should be three to four months after the close of the fiscal year.

Funding shall be budgeted to ensure this policy will be carried out.

Chapter 3

Board Meetings

Parliamentary authority 3.1

Meetings of the Board will be governed by the parliamentary rules as outlined in Robert's Rules of Order, latest edition, in all cases where the Bylaws do not control.

The President may appoint from among the REALTOR® membership a “parliamentarian” to serve for the calendar year.

Conduct of meetings 3.2

Discussion of agenda items shall be among Board members, between the Board and the AE, and those the Board and AE request to make presentations.

Master Board calendar 3.3

A calendar of items will be established by the Board annually before the beginning of the Board year. The calendar will list items that regularly require Board action during specific time frames each year, such as approval of the budget, renewal of contracts, the Board planning retreat and other standard annual events, etc. At its organizational meeting each year, the Board will determine the regular meeting dates, time and place for the next year.

Open Board meetings 3.4

It is the policy of the Board to hold open Board meetings using the following guidelines:

- Agendas will be posted on the LCAR website and provided to guests at the beginning of the meeting.
- Guests may comment to the Board only at the designated "Call to the Audience" section on the agenda. The Board may request public comment, by approved motion.
- When dealing with confidential matters the Board may elect to go into Executive session.
- SNMMLS committee meetings are not generally open to non-Board members except at the invitation of the committee.

Closed meetings 3.5

All regular meetings of the Board will be open to SNMMLS users except as specified below. The Board will enter Executive Session only when:

- Discussion by the Board could harm the reputation and character of any person.
- Information discussed by the Board could have an adverse legal impact on the organization's legal position if the information were public knowledge.

- Information discussed by the Board could have an adverse financial impact on the organization if the information were public knowledge.
- Discussion of personnel related issues

To enter Executive Session, a motion must be made and approved by a majority of the Board stating the specific reasons for closing the meeting. Business conducted in the Executive Session must pertain directly to the stated purpose for closing the meeting and once that specific matter is dealt with the meeting will be reopened and the balance of the agenda finalized.

Meeting agenda packet 3.6

All matters to be considered by the Board at the meeting will be included on the agenda and in the Board, packets delivered to Board members at least seven (7) calendar days prior to the meeting. The Board may waive this requirement by majority vote.

Any Board member may request items be considered and placed on the agenda prior to the agenda being published and distributed.

The agenda may be amended after the meeting is convened only in cases where immediate action on the item is necessary, or when the item is for Board information.

The Board meeting agenda will approximate the following outline:

- Call to order by the President or other presiding officer and determination of a quorum
- Call to the Audience
- Consideration, correction and approval of the minutes from the previous meeting
- Consideration and acceptance of the financial report
- Committee/task force reports and recommendations for Board action
- President's Report
- AE Report
- Unfinished Business
- New Business
- Adjournment

Staff attendance at Board meetings 3.7

The AE may invite any staff to the Board meeting that the AE needs as a resource for issues the Board will consider during the meeting.

Electronic recordings of Board meetings 3.8

To ensure the greatest amount of discussion and debate at Board meetings and committee meetings, no electronic recording devices will be permitted.

Quorum 3.9

A majority of Board members will constitute a quorum for the purpose of conducting official Board business.

Voting 3.10

All members of the Board who are present when a question is put forth, will vote upon the question unless disqualified by a stated and recorded conflict of interest. Results of the vote will be recorded.

Voting on all motions is mandatory unless otherwise required by these policies.

A Board member who is present at a meeting of the Board at which action is taken on any corporate matter will be presumed to have concurred in the action taken unless the dissent or abstention of the member is entered in the minutes of the meeting.

Minutes of the Board meeting 3.11

Records of all actions of the Board will be set forth in the minutes of the meeting. Minutes will be kept on file as the official record of the Board.

The office of AE will be custodian of the Board records.

The minutes of the meeting are a record of the actions of the Board, not a record of discussion. Minutes of Board meetings will include:

- The date, time and place of the meeting was called to order.
- The type of meeting - regular, special, or continued.
- The name of the presiding officer.
- A statement that a quorum was or was not present.
- The names of those Board members present, and the names of those Board members absent from the meeting.
- The exact wording of all motions, whether passed or failed.
- Disposition of each motion made - passed or failed. (If the vote is by roll call, each Board member's vote will be recorded by name. When a ballot vote is taken, the number voting for and the number voting against will be recorded. No views, protests or explanations from Board members about the vote will be recorded in the minutes unless the full Board votes to allow such entries.)
- Notation of each committee report.
- Notation that financial reports were examined by the Board.
- Notation of time of adjournment of the meeting.

Committee reports or resolutions may be attached to the minutes if these items are important clarification for the minutes of the meeting.

Chapter 4

Board Officers

Officers of the Board and job definitions 4.1

The Officers of the Board will be a President, First Vice President/President-Elect, Secretary and Second Vice President/Treasurer.

The President of the Board will collaborate with the AE to prepare Board meeting agendas, preside at Board meetings, appoint committees and committee chairpersons, sign official documents, and represent the Board in public and official capacities as instructed by the Board. The President will also:

- chair the Executive Committee.
- make special assignments and appoint representatives to other organizations.
- make appointments to vacant Board Director and Committee positions with Board approval.
- act as liaison between the Board and AE.
- encourage the Board to do long-range planning.
- assist Board members to build their Board skills.
- act to discipline Board members who violate ethical standards of the Board.
- encourage all Board members to participate in Board activities.
- ensure that all Board members' views are represented in Board meetings.
- serve as one of SNMMLS's slotted Board members of NMAR

The First Vice President/President-Elect will preside at Board meetings in the absence of the President and assume the office of the President when the President can no longer serve.

The First Vice President/President-Elect will also:

- serve on the Executive Committee.
- work with the President to be prepared to assume that office if necessary.
- manage special assignments as requested by the President.

The Secretary is the AE and will oversee the records of the Board, including meeting minutes, the charter, and any historical documents. When required, the secretary will also sign

notes, contracts, and other official agreements on behalf of SNMMLS and at the direction of the Board. The secretary will also:

- ensure that all official documents are safely maintained and secure.
- research SNMMLS records when necessary for information for the Board.

The Second Vice President/Treasurer will oversee, but not manage, the financial records of SNMMLS, and ensure that the Board regularly receives accurate reports of the financial condition of SNMMLS. The Treasurer will also:

- assist the Board to understand the annual budget before approval.
- chair the Finance Committee and bring recommendations to the Board regarding the fiscal condition of the Corporation.

Officer authority 4.2

Officers of the Board are elected to be servant-leaders of the Board. All authority of the officers is delegated to them by the Board. No officers will have any authority to speak or act on behalf of the Board other than that authority specifically granted in the SNMMLS Bylaws or in Board policy.

Chapter 5

Board Member Job Descriptions

Board member responsibilities 5.1

The Board is responsible for determining SNMMLS policy in human resources, planning, finance, community relations, and operations.

Human Resources – The Board has **three key responsibilities** in this area:

- Board membership, which includes recruiting new members, recognizing and nurturing existing members, and providing existing members with opportunities to grow and develop as leaders.
- AE oversight, which includes AE hiring, ongoing evaluation, disciplining and termination when appropriate.
- Personnel Policies, which includes policies relating to the AE’s employment, and ensuring that the AE has complete policies in place for staff.

Planning – The Board has **three key responsibilities** in this area:

- Establishing and reviewing the SNMMLS mission, philosophy, and goals.
- Strategic Plan which services and programs SNMMLS provides; and
- Evaluating SNMMLS services/programs and operations on a regular basis.

Finance – The Board has **four key responsibilities** in this area:

- Ensure SNMMLS has financial accountability.
- Oversee an ongoing budget development process, approval, and periodic review.
- Ensuring that adequate funds are available to support SNMMLS’s policies and programs; and
- Oversee SNMMLS’s properties or investments.

Community Relations – The Board has **three key responsibilities** in this area:

- Ensure that SNMMLS programs and services appropriately address the needs of those served.
- Advocate SNMMLS services and programs, to include an awareness that Board members are always emissaries in the community; and
- Determining occasions when SNMMLS could and/or should take part in coalitions, joint operations, etc.

Organizational Operations – The Board has **four key responsibilities** in this area:

- Ensure that SNMMLS's management systems are adequate and appropriate.
- Ensure operations are adequate and appropriate, including writing policies for the conduct of meetings and business operation.
- Ensure organizational and legal structures are adequate and appropriate.
- Ensure all applicable legal requirements are met.

Performance expectations for Board members 5.2

In performing duties as a member of the Board, every Board member is expected to:

- Demonstrate a strong belief in, and commitment to, SNMMLS’s mission.
- Devote the necessary time to prepare for and participate in Board and committee meetings.
- Exhibit high ethical standards and integrity in all actions.
- Be an enthusiastic advocate for SNMMLS.
- Take responsibility and accountability for SNMMLS and all decisions made by the Board.
- Spend the time necessary to learn how to do the job and maintain an ongoing schedule of in-service training to learn how to do the job better.

- Demonstrate willingness to work as a team member with other Board members and the AE.

Chapter 6

Committees of the Board

Committee purpose 6.1

The purpose of any appointed committee is to assist the Board to govern more efficiently. A committee is not designed to do staff work. A committee's responsibilities include investigation, deliberation and action on those special issues and functions as identified in their specific "Committee Charge."

Committee authority 6.2

Any committee established by the Board will have only the powers and functions as specifically delegated to it in the annually approved "Committee Charge."

Committee accountability 6.3

Committees are a subsidiary of the Board and will be expected to report their work to the Board on a regular basis. Each committee will be expected to make recommendations to the Board for action, such recommendations to be made by the chairperson of the committee in the form of a motion at a Board meeting and or/as a written advisement to the AE. The Board will regularly review the work of each committee to evaluate its effectiveness.

Appointment of committees 6.4

The President will appoint the chairperson, and the committee members, of each committee subject to the approval of the Board at the beginning of each year. During the course of the year the appointment of new members shall be at the discretion of the President.

Ex officio committee members 6.5

The President will serve as ex-officio, non-voting member of all committees. The AE or the AE's delegated representative will be a non-voting member of all committees to serve as a resource.

The President may appoint Board members to serve as liaisons to all committees except Grievance and Professional Standards.

Board members that choose to attend committee meetings will serve as non-voting members of said committee.

Duties of committee members 6.6

The duties and responsibilities of all committee members include:

- attending all meetings of the committee to which the member is assigned.

- preparing for committee meetings by studying the agenda and researching issues to be discussed at committee meetings.
- participating in discussions at committee meetings.
- following through promptly on any assignments for the committee.
- supporting committee recommendations.

Committee meetings 6.7

The committee chairperson will convene all meetings of the committee. Meeting dates will be coordinated with the AE to avoid conflict and to ensure completion of staff support and research. All committee meetings must be held at SNMMLS unless specifically allowed for otherwise by the SNMMLS President.

Minutes will be kept of committee meetings. Committees will submit a copy of their minutes to their Dropbox account with a copy to the Board Dropbox account.

Guidelines for the committee chairperson 6.8

The committee chairperson will be expected to lead the committee. The committee chairperson is accountable for ensuring the productivity of the committee by:

- planning the agenda for the committee meetings.
- ensuring that minutes are taken and delivered to the Committee and Board Dropbox accounts for storage and reference.
- ensuring that all members of the committee are notified of committee meetings.
- convening committee meetings and keeping meetings on track.
- encouraging the committee to take action on the issues discussed.
- ensuring that reports and recommendations for action from the committee are presented to the Board for action.
- leading the committee to evaluate its own operations.
- keeping the AE informed of committee activities.

SNMMLS Committees 6.9

EXECUTIVE COMMITTEE: The Executive Committee will consist of the LCAR President, the LCAR First Vice President/President-Elect, the SNMMLS President and the SNMMLS First Vice President/President-Elect. The Executive Committee shall plan the affairs of the association between meetings of the board of directors, in accordance with the Association Bylaws and Policies and Procedures, to insure compliance of, the SNMMLS bylaws.

MLS COMMITTEE: The MLS Committee is charged with reviewing technology, MLS platforms and upgrades, Rules and making recommendations to the Board.

Chapter 7

Organizational Finance

Fiscal year 7.1

The SNMMLS fiscal year will be from the first day of January to the last day of December.

Financial management 7.2

Financial resources of SNMMLS are the responsibility of the Board. The Board will:

- have a clear plan for acquisition of financial resources to pay for the programs and services provided by SNMMLS.
- provide guidelines for management and allocation of financial resources which will produce optimum benefit for those we serve.
- monitor and evaluate the financial plans and guidelines of SNMMLS to ensure the financial integrity of SNMMLS.
- support the formation of a Finance Committee as recommended by the Second Vice President/Treasurer.

Budgeting 7.3

An annual operating budget will be prepared by the AE and Finance Committee and presented to the Board for approval at the December board meeting prior to the beginning of the next fiscal year. The budget will reflect the cost of carrying out the programs and services of SNMMLS for the next fiscal year. This budget will also reflect the anticipated revenues of SNMMLS.

The budget will be viewed by the Board as their financial plan for SNMMLS, and approval of the budget by the Board will be authority for the AE to manage SNMMLS's finances according to the plan without seeking further approval of the Board. However, the AE will keep the Board well informed of the ongoing status of the financial plan and will not make expenditures outside of the budget plan without seeking Board approval to amend the budget. Major adjustments to the budget will be presented to the Board for approval. Some examples may be:

- SNMMLS enters into contracts that were not included in the approved budget.
- The AE proposes a major expenditure that was not included in the approved budget.
- Significant unanticipated revenues are received, or cost overruns occur

Working capital reserves 7.4

The Board shall strive to maintain a working capital reserve sufficient to keep SNMMLS operating for at least a one year period.

Accounting 7.5

The accounting system used by SNMMLS will utilize generally accepted accounting practices that are required and/or recommended by regulatory or lending agencies and the SNMMLS accountant or auditor.

The accounting practices and procedures used by SNMMLS will allow for the AE and Second Vice President/Treasurer adequate management of SNMMLS's revenues and expenses and will provide adequate systems for monitoring by the board and outside auditors.

Financial reports and audits 7.6

Reports reflecting the financial condition of SNMMLS will be presented to the Board monthly. These financial reports will include:

- at least quarterly status of expenditures on major capital projects.
- the AE, or the accountant, shall perform a statement of cash flow at least annually
- monthly revenue and expense statement for the month and year-to-date with comparison to the budget.

An internal audit process will be established and maintained. The AE and/or Second Vice President/Treasurer will report, at least quarterly, any significant findings to the Board. All violations will be reported to the Board immediately upon discovery.

A financial audit will be conducted annually and will be funded in the budget.

Signing checks 7.7

Authorized signatories for all general fund accounts are the following: The President, the First Vice President/President-Elect, the Second Vice President/Treasurer and AE. The officers shall timely avail themselves, within two (2) business days, to the AE for signing checks and documents when requested. Each check shall require the signature of two authorized signatories.

It is the responsibility of the AE to ensure that signatures can be gained from appropriate signatories so that payment can be made on obligations of SNMMLS. It is also the responsibility of the AE to ensure that adequate controls and safeguards have been established to ensure disbursement of funds only for proper purposes.

It is the responsibility of all signatories to ensure that there is adequate documentation, consistent with good internal controls, for the valid payment of the checks they sign.

Use of credit cards 7.8

An SNMMLS credit card will be issued to the President and the AE. SNMMLS credit cards will only be used for appropriate SNMMLS business. All expenditures must be appropriately documented. The SNMMLS credit card will not be used for personal expenditures.

Contracts 7.9

The AE and President may only approve agreements which continue the same service level and are under \$2500 in cost from a prior contract. These agreements must be done within the approved budget line-item spending limits. All other contracts must be approved by the Board. New contracts in excess of \$10,000 annually or over the contract life shall require legal review.

All service agreements and service contracts shall be awarded on the basis of cost, experience, and references. No contracts may be written or awarded to employees or Board members or their immediate family.

At a minimum, all contracts must contain the purpose, effective dates, authorized signatures, amount to be paid, how liability risks are covered or met, and services to be provided.

Investment practices 7.10

Funds not required for current operations will be invested according to an investment plan developed by the Finance Committee as approved by the Board. Once cash in the checking account exceeds \$250,000.00 SNMMLS will invest \$50,000.00 into the Edward Jones account.

The Second Vice President/Treasurer will present reports to the Board at least quarterly which show the status of all investments, including the rate of return and current market value.

All investments must be insured by FDIC, NCUA or SIPC. Any investments with a maturity date of more than one year must have the prior approval of the Board.

Executive limitation 7.11

The AE may not risk financial losses to SNMMLS beyond those that may occur in the normal course of business. The AE will:

- ensure against embezzlement, casualty losses to full replacement value, and against liability losses (to Board members, SNMMLS or staff) beyond the minimally acceptable prudent level.
- ensure that all personnel with access to significant amounts of SNMMLS money are appropriately bonded.
- ensure that facilities and equipment are properly maintained.
- limit exposure of SNMMLS, the Board or staff to claims of liability.

- disburse funds only under controls sufficient to meet the Board appointed auditor's standards.
- ensure that all computers and other financial records necessary for uninterrupted operation of SNMMLS are routinely backed up and stored offsite in a fire protected secure site as approved by the board.
- ensure a copy of each key or combination to SNMMLS safes, cabinets, storage devices, and doors with a means to be locked, will be stored in the AE's office safe. A copy of each key or combination to the AE's office safe will be provided to the President and a second will be stored in a secure lockbox at a local trust i.e. such as a bank lockbox or other similar type location.
- ensure the AE has a record of all passwords to the SNMMLS email accounts, websites used for storage of all records or documents relating to SNMMLS operations.

Spending authorizations 7.12

The AE may make expenditures consistent with the Board approved budget without further Board approval. Any expenditures that are not within the Board approved budget must be approved by the Board.

A list of anticipated major capital expenditures should be included with the annual budget that is submitted to the Board for approval.

Unbudgeted emergency repairs to the SNMMLS facility or equipment that must be completed immediately and cannot be practically submitted to the Board for approval, may be authorized by the AE. The Board will be informed of the expenditures as soon as possible.

Delegation of spending authority 7.13

The Board is recognized as the ultimate spending authority for SNMMLS.

Any person holding authority to approve the expenditures of funds is expected to personally exercise that authority. Permitting another person to use that authority is prohibited.

The use of a signature stamp for authorizing signatures is prohibited.

No person shall approve a transaction which will result in personal gain.

Approval of travel and personal expenses will always be at the next highest level of authority for every employee. AE expenses will be approved by the Board. Board member expenses will be approved by the full Board.

No person shall approve a transaction in which a conflict of interest exists.

If there is any doubt about the propriety of an expenditure, the person should not approve the expenditure, but rather refer approval to a higher authority.

Insurance/bonding protection of SNMMLS 7.14

The AE will recommend to the Board all necessary bonding of staff members who handle SNMMLS funds and recommend to the Board any appropriate insurance protection to protect the finances of SNMMLS.

Office Staff procedures for handling receipts 7.15

The office staff must provide receipts for all transactions processed through SNMMLS.

No cash is to be accepted for payment of invoices or any other goods or services sold through the SNMMLS. Cash will only be accepted as a donation (i.e., REALTOR Rally and Charity Auction). Cash will be deposited as soon as possible.

Credit Card information shall **not be maintained and shall** be destroyed as soon as payment has been processed. No written credit card information will be taken or maintained.

Late payment and bad debts owed to SNMMLS 7.16

Any payment received later than 30 days from the date of invoice shall be considered late and assessed a \$25 late payment fee. Any such payment not made sooner than (40) days after the invoice due date shall be considered in default and shall result in the immediate suspension of services.

If the total receivable from any one individual or organization is \$100 or less, the AE may authorize the debt to be written off if he/she believes the debt is uncollectible and the debtor is no longer affiliated with SNMMLS.

Write-offs of debts over \$100, which the AE believes are not collectable and the debtor is no longer affiliated with SNMMLS may be authorized only by a vote of the Board.

Delinquent accounts may be assigned for collection to either legal counsel or a collection agency, or taken to small claims court, as the AE deems appropriate. Collection efforts will continue even after write-off until actually collected or the attorney, collection agency or small claims court deems further efforts will be futile or not cost-effective.

There will be a \$50.00 fee for any check received by SNMMLS that does not clear the bank. This will be in addition to any fees charged by the bank on the maker of the check. After a second offense, no checks will be accepted from the individual.

Chapter 8

AE Responsibilities & Functions

The AE's role in the organization 8.1

In the conduct of the ongoing business of SNMMLS, the AE is responsible for all business operations, including management of the assets of SNMMLS; hiring, training, promotion, discipline, and termination of employees; and for establishing and maintaining the business organization and structure to efficiently conduct the management functions of SNMMLS.

The AE operates under the general direction of the Board and plans for and administers programs and services in accordance with SNMMLS's stated purpose in such a manner that optimizes results in relation to the available resources.

AE communication/Counsel to the Board 8.2

The AE will provide information and counsel to the Board. Accordingly, he/she will:

- Make the Board aware of special events, relevant trends, material external and internal changes, and the assumptions upon which any Board policy has previously been established.
- Submit required monitoring data in a timely, accurate and understandable fashion, directly addressing provisions of the Board policies being monitored.
- Marshal as many staff and external points of view, issues and options as needed for fully informed Board choices.
- Present information in a form that is understandable and of reasonable length.
- Keep the Board updated on existing contracts statuses.
- Provide the Board a complete appeal packet as may be submitted by an Appellant under Policies 2.45 and 2.46 of this document.
- Report Quarterly on Copyright Status
- Maintain regular communication with vendors and providers.

Delegation to the AE 8.3

The Board is the entity charged with maintaining executive authority over the AE and is also the entity charged with establishing policies to ensure that SNMMLS continues to operate in a manner to further its interest. Accordingly, the Board may task the AE to provide certain information to assist in the development of policies. The AE shall provide the Board with the requested information within a timely manner.

Areas of responsibility delegated to the AE 8.4

In the area of human resources, the AE relates both to the Board and to the staff of SNMMLS but has ultimate responsibility to the Board.

For the Board, the AE:

- Develops and recommends to the Board specific, written, long and short-range plans for the development of SNMMLS programs and services.
- Maintains appropriate relations with the Board and various Board committees and keeps them informed.

- Interprets trends in the fields of service in which SNMMLS is engaged, by maintaining involvement in the professional field as a whole.
- Assists with orientation and training programs for the Board.

For the SNMMLS staff, the AE:

- Supervises and directs key staff in the performance of their duties.
- Evaluates the performance of key staff members.
- Provides overall control of and direction for the personnel of SNMMLS, including active participation in or approval of personnel actions.
- Manages volunteer staff activities.

In the area of planning, the AE:

- evaluates the services being provided by SNMMLS in relation to specified goals and standards, and recommends modifications, where appropriate.
- recommends new programs to the Board.

In the area of finance, the AE:

- prepares SNMMLS budgets and is accountable for control of these resources once approved.
- directs all financial operations of SNMMLS.

In the area of Participant / Subscriber relations, the AE:

- manages all activities including coordinating Board activities in this area.

In the area of public relations, the AE:

- interprets the function of SNMMLS to the community by assisting the Board, through direct involvement and through public relations programs, including personal contact, descriptive program literature, and the media.

In the area of interagency relations, the AE:

- Maintains appropriate relations with other professional and service groups in the community.
- Maintains appropriate relations with federal, state, and local government units.
- Maintains appropriate relations with other agencies in similar fields of service.

In the area of organizational operations, the AE:

- Recommends policies to the Board and/or assists the Board in the formulation of policies for the effective and economical operation of SNMMLS and its programs.

- Ensures implementation of the policies adopted by the Board.
- Has chief administrative responsibility for maintenance of SNMMLS facilities, and regular reporting to the Board.
- Carries chief staff responsibility to ensure that legal obligations of SNMMLS are met.

Monitoring AE performance 8.5

Monitoring AE performance is somewhat synonymous with monitoring organizational performance. The Board delegates management to the AE and must have a process for ongoing monitoring of the AE's performance of the delegated duties. The purpose of monitoring is to determine the degree to which Board policies are being fulfilled.

The Board will monitor AE performance by awareness of the AE's job description, careful attention to all reports delivered to the Board and through an annual written evaluation of the AE's job performance.

AE performance evaluation 8.6

It is the policy of SNMMLS to regularly evaluate the performance of the AE.

Although the evaluation will be facilitated by the President, the entire Board should participate in the evaluation process.

The process begins with a review of the current job description to determine accuracy and appropriateness. The President next develops an evaluation checklist based upon the job description and organization objectives. Board members will be asked to rate the AE's performance against each line item on the checklist as follows:

- ___ very good
- ___ acceptable
- ___ needs improvement

Space should be allowed on the checklist at each line item for comments.

When the Board members have returned the evaluation forms, the President of the Board shall make a composite spreadsheet which, by line item, indicates the number of responses for each rating. All comments shall be randomly listed without identifying the source of each comment.

Next, the Board meets, without the AE present, to review the composite evaluation and performance objectives for the upcoming year. The Board must reach consensus on each item in the spreadsheet.

Then the Board meets with the AE to present the Board's conclusions about the evaluation. Should the AE be in serious disagreement with part or all of the evaluation, the right to respond to the Board must be available. Such a response should lead to a dialogue in which the problem area can be resolved in a candid and professional way.

Board members will not solicit information regarding the AE's performance from subordinate staff. Staff plays no role in the evaluation. The Board recognizes that including staff can seriously erode the relationship which must exist between the AE and staff.

Board/AE relationship 8.7

The Board recognizes and maintains the following guidelines in the Board's relationship with the AE:

- Good management is recognized as one of the key factors in the success of the organization. The Board reserves the authority to establish policies, approve plans, and programs and delegate authority to the AE.
- The Board will approve policies and long-range plans and programs for SNMMLS, and delegate authority to the AE to execute and carry out the policies, plans and programs. The AE will be responsible for hiring capable personnel within the limitations of Board policy and budget constraints, determining the appropriate compensation, training, supervising, disciplining and terminating if necessary.
- Board members will refrain from individually discussing management and personnel issues with SNMMLS personnel other than the AE.
- Authority for management of SNMMLS will be through the Board to the AE, then to other personnel. The Board will require full and timely information from the AE concerning pertinent matters that relate to the management of SNMMLS.
- The Board recognizes that efficient management of SNMMLS can exist only through mutual understanding and cooperation between the Board and the AE. The Board also recognizes that the AE is accountable to the Board to show results, but the AE cannot perform well and show good results if not given latitude to exercise independent judgment in executing Board policy. Therefore, the Board grants that latitude of judgment and discretion and expects full accounting of performance from the AE.
- The Board recognizes its position as the employer of the AE and will be responsible for a systematic annual evaluation of the AE's performance. The evaluation will be for the purpose of improving the AE's performance and to provide a basis for consideration of the AE's salary for the next year.
- The AE serves at the pleasure of the Board and may be terminated at will.

Board / AE responsibilities 8.8

To assist the Board and AE to work as a team, the following principals will guide the team members to determine responsibilities of each part of the team:

- Responsibility for determining general policy shall be entrusted to the Board. The AE shall keep the Board informed regarding the progress of all important SNMMLS programs.

- The Board represents the Participants / Subscribers in setting the goals and establishing the basic policies and long-range goals for SNMMLS. It shall refrain from involvement in the administrative functions except to monitor and evaluate.
- The Board shall transact official business with professional staff members and other program employees only through the AE.
- The AE shall be responsible for administering the program in accordance with Board policies and regulations.
- The AE shall be responsible for the selection and assignment of staff.
- The responsibility of staff assignment may be delegated by the AE to other supervisory personnel.
- The AE shall prepare, and submit for Board action, an annual program plan and budget.
- The AE shall provide the Board with data and information to enable the Board to make effective decisions.
- The AE shall provide the Board with periodic reports as the Board feels are necessary to allow Board members to make accurate decisions.
- The AE will continually update a succession plan and report the updates quarterly to the Board. The process to continue uninterrupted service in the event of sudden loss of the AE will be as follows:
- The list will include, but not be limited to, such information as:
 1. A staff flow chart showing chain of command and a list of responsibilities of all management personnel. The list will also include special instructions about which staff members should be consulted for special assistance in such areas as personnel management, maintenance, finance, computer operations and other essential functions of the organization.
 2. Location of all bank accounts and financial records, and instructions about disbursement authority.
 3. Location of all vital documents, such as policies and contracts.
 4. Location of all computer backup files.
- If it becomes necessary to implement these emergency procedures, the Board will meet as soon as possible with the interim AE to:
 1. establish a plan for continued operation.
 2. establish a schedule of Board meetings to provide adequate support for the interim AE.

- As soon as possible after the designation of the interim AE, the Board will implement the applicable procedures from the first half of this policy.

AE succession policy 8.9

A policy for AE succession must include two parts. The processes the Board will follow to replace a departing AE, and a process to continue uninterrupted service in the event of sudden loss of the AE.

Resigning, retiring, or sudden loss of the AE

The process for replacing a departing AE will be as follows:

- The Board will determine the exact termination date of the current AE.
- The Board will determine a specific target date to bring on a new AE. This target date will be flexible to allow the selected candidate some latitude in the beginning date.
- The Board will designate an interim AE to serve for the time between the ending date of the current AE and the beginning date of the new AE. Board members are not eligible to serve as the interim AE.
- The Board President of SNMMLS and LCAR will nominate a Search Committee of not less than three Board members and not more than five Board members. The Board President may appoint up to two additional Search Committee members from outside the Board such as former Board members, community leaders or other persons who would be valuable resource to the committee. The Board President will seek Board approval of the nominees.
- The Board will consider the need for any changes to the management structure before the search for a new AE.
- The Search Committee will begin as soon as possible to:
 1. Update the job description for the AE.
 2. Develop a profile of the preferred candidate.
 3. Determine the feasibility of utilizing a search firm to assist the Board in the search.
 4. Determine salary range and terms of the contract to be offered.
 5. Identify appropriate advertising media to be used.
 6. Establish a schedule to complete interviews, reference checks and final selection.
 7. Determine who will conduct the interviews and what questions will be asked.

8. Determine the extent of staff and community involvement in the search process.

9. Establish a process for communicating search progress to the Board and staff.

- The Search Committee will seek approval of the Board for all of the above.
- The Search Committee will recommend no more than three nor less than two candidates for review.
- The Board will interview the final candidates and select the new AE.
- External candidates and current employees will be invited to apply for the position.
- The Board will set dates for the review of AE performance. These reviews will be informal discussions between Board and AE for the purpose of assisting the AE to understand Board needs and intent, as well as affirmation of good AE performance. The Board will do a formal written performance evaluation of the AE after approximately one year of employment and then annually thereafter.

Chapter 9

Employment Policies

Chain of command 9.1

The Board believes strongly in the chain of command:

Board of Directors



Association Executive



Staff / Contractors

The Board is concerned about the needs and success of staff and will work through the chain of command to facilitate the success of all SNMMLS staff.

The Board expects all staff to respect and follow the chain of command when registering complaints, making suggestions and in any other way communicating with the Board about the business of the organization. Staff members who take complaints, requests, criticism, or other organization business directly to the Board or individual Board members without working through the AE will be considered insubordinate and subject to disciplinary measures by the AE.

The Board expects all Board members to respect and follow the chain of command when communicating with staff about the business of the organization. Board members will not take complaints, suggestions, requests or demands to the staff except through the AE. When a Board

member receives a complaint or suggestion from a staff member other than the AE, the Board member will remind the staff member of this Board's policy about following the chain of command. The Board member will also report the staff communication to the AE.

Employee Open Door Policy 9.2

The purpose of the Open Door Policy of SNMMLS is to ensure that all employees have free and immediate opportunity to raise any type of work related concerns. To maintain an open and productive working environment, and one that is responsive to problems and concerns, SNMMLS encourages the employee to raise good faith concern in compliance with the most recently adopted Employee Handbook.

Personnel policies 9.3

Appropriate and complete personnel policies (the “Employee Handbook”) will be adopted by the AE and reviewed by legal counsel for accuracy and completeness. The AE will report to the Board that this has been done and will report annually that all personnel policies have been reviewed and updated.

All employees will be given a copy of the most recent and updated Employee Handbook and will sign acknowledgment of such receipt.

Implementation and administration of all personnel policies are the responsibility of the AE.

Professional memberships 9.4

The Board recognizes the importance of employees staying current in fields related to their employment and the importance of maintaining professional status. Therefore, SNMMLS may pay for the cost of professional memberships for employees within the limits of the budget and provided such membership is in the best interest of SNMMLS.

SNMMLS may also pay the cost for employees to attend meetings related to their professional memberships if the meeting is judged to be in the best interest of SNMMLS.

Requests for reimbursement must be made to the AE and be given prior approval by the AE.

Nepotism 9.5

Board members and members of their immediate families may not be employed by SNMMLS.

Members of the immediate family of the AE may not be employed by SNMMLS.

The term "immediate family" is defined as the relationship of:

- husband and wife
- father and son or daughter
- mother and son or daughter
- brother and sister
- Significant other

Equal employment opportunity/affirmative action 9.6

All employment decisions and personnel actions will be administered with the purpose of promoting and ensuring equal opportunity for all persons. All employment opportunities will be publicized in the following manner:

- Management and staff positions by formal vacancy posting ads and word of mouth.
- All hiring decisions will be made on the basis of the written job requirements set forth in the appropriate position description or vacancy posting, the applicants work history and experience.

Safety and loss control 9.7

SNMMLS is committed to maintaining safety in its operations.

The AE will provide for, and actively promote, ongoing safety and loss control training for all employees. The AE will institute procedures, where necessary, to ensure the safety of the work environment, and will provide appropriate equipment to employees sufficient for the performance of their duties.

Accidents and losses will be reported to the Board at their next meeting.

When necessary, the AE will review safety concerns and risk management plans with legal counsel to ensure legal compliance.

Smoking on SNMMLS premises 9.8

Smoking and the use of tobacco is prohibited within all SNMMLS facilities and within 100 feet of any entrance of all SNMMLS facilities. This prohibition includes the use of "vapor" delivery systems.

Drugs and Alcohol 9.9

Possession, distribution, or sale of illegal drugs on SNMMLS property is strictly prohibited.

The consumption of alcohol on SNMMLS property or at any Board sanctioned event, by members and/or employees, is strictly prohibited except when specifically authorized by the Board.

Employees and members must conduct themselves in such a manner that they do not represent a danger to themselves, other employees and members or the general public.

References for employees leaving SNMMLS 9.10

It is the policy of the Board that no employee or Board member of SNMMLS will provide performance references for or about former employees.

When requests for such references are received, with appropriate releases from the former employee, they will be referred to the AE of SNMMLS. The AE will provide the requesting party only with the dates of employment for the former employee and a copy of this policy statement.

Chapter 10: Lock Boxes

Authority to Contract for Lock Box Services 10.1

SNMMLS Board of Directors shall ensure Lock Boxes and Keys meet the National Association of REALTORS® security protocols identified in the Handbook of Multiple Listing Policies (HMLP) published annually.

Lock Box Security Protocols 10.1.1

Keys must be obtained from the original manufacturer, from a recognized vendor of lockbox systems or from any other legitimate source. Prior to utilizing previously used keys, lids, or boxes, associations and MLSs must obtain sufficient information from the original manufacturer and surrounding associations and MLSs in order to determine whether the key's pattern, code, or configuration is already in use.

Electronic lockboxes and electronic keys running on mobile devices must incorporate security protocols to prevent the following types of cyber-attacks:

- where an unauthorized user can override or escalate their security credentials
- where the communication session between the electronic lockbox and key are recorded and played back later to gain unauthorized access
- forging of electronic credentials that could allow an unauthorized user the ability to masquerade as an authorized user
- digitally signed updates to electronic keys running on mobile devices or electronic lockbox firmware plus a secured update process to prevent unauthorized software from being introduced into the lockbox system
- transmission(s) of frequencies to deceive the lockbox electronics into opening

Note: Security protocols updated January 2021

LCAR Affiliate Members use of Lock Box Services 10.2

Affiliate Members who are in the home inspection, or other types of inspectors shall be eligible to contract with SNMMLS for electronic key access. Affiliate members who contract for electronic key access will only have the "Call Before Showing" (CBS) access.

Affiliate Members will be charged at the same rate and under the same terms of SNMMLS participants, subscribers, and appraisers.

The Affiliate Company with lock box key access must provide SNMMLS evidence upon key access application, and annually thereafter, of holding no less than \$500,000 in general liability insurance naming LCAR and SNMMLS as additional insureds and provide for LCAR and SNMMLS to receive a thirty day notice before cancellation or expiration.

SNMMLS may refuse to sell or lease lock box keys, may terminate existing key lease agreements, and may refuse to activate or reactivate any key held by an individual convicted of a felony or misdemeanor, if the crime, in the determination of SNMMLS, relates to the real estate business or puts clients, customers, or other real estate professionals at risk.

The SNMMLS Board of Directors may suspend the right of Affiliate lock box key holders to use lock box keys following their arrest and prior to their conviction for any felony or misdemeanor which, in the determination of SNMMLS, relates to the real estate business or puts clients, customers, or other real estate professionals at risk. Factors that can be considered in making such determinations include, but are not limited to:

- A. The nature and seriousness of the crime
- B. The relationship of the crime to the purposes for limiting lock box access
- C. The extent to which access (or continued access) might afford opportunities to engage in similar criminal activity
- D. The extent and nature of past criminal activity
- E. Time since criminal activity occurred
- F. Evidence of rehabilitation while incarcerated or following release, and
- G. Evidence of present fitness

The electronic key assigned to an individual Affiliate Member may not be used under any circumstances by anyone other than the key holder. The SNMMLS Board of Directors shall impose a fine of \$1,000 per incident for any violation of these policies and the LCAR Board of Directors may treat it as a membership violation pursuant to its Bylaws.

There shall be a maximum of one keypad per individual Affiliate Member.

Key Box Annual Audit 10.3

SNMMLS shall maintain current records as to all keys issued and in inventory, including registered users accessing lockboxes through applications and software used by mobile devices. There shall be an audit, at least annually, of all keys, whether issued or in inventory. This requirement may be satisfied by a physical inventory or by receipt of a statement signed by the keyholder and the designated Realtor®, broker of record, or, in the case of an affiliate member, by a principal, partner, or corporate officer of the keyholder's firm, attesting that the key is currently in possession of the keyholder.

Acceptance of Gifts

The Board encourages and accepts gifts of materials, equipment, money or gifts in kind (i.e., "trade"). However, the Board also recognizes that all gifts may not be acceptable to SNMMLS needs or principles and may involve expenses beyond the value of the gift.

Therefore, before acceptance, any gift must be approved by the AE as appropriate for SNMMLS needs and within the boundaries of the established mission and philosophy of this organization. If there is any question about the appropriateness of the gift, the AE will bring the issue to the President for resolution.

The Board encourages those who give gifts to the organization to allow the most appropriate use of the gift to be determined by the Board, (who will give serious consideration to the wishes of the donor). However, final decision of how a gift will be used always remains with the Board and AE of SNMMLS. If the donor cannot accept this policy, the gift will not be accepted by SNMMLS.

SNMMLS will provide acknowledgement of gifts received but will not be responsible for gift value appraisal for income tax or other purposes.

Record Retention

Accident Reporting/Claims (Settled Case)	7 years	Notes Receivable Ledgers and Schedules	7 years
Accounts Payable Ledgers and Schedules	7 years	Option Records (expired)	7 years
Accounts Receivable Ledgers and Schedules	7 Years	Patents and Related Papers	Permanently
Adoption/Custody Agreements	Permanently	Payroll Records and Summaries	7 years
Audit Reports	Permanently	Payroll Tax Reports	Permanently
Bank Reconciliations [1]	5 years	Personnel Files (terminated)	7 years
Bank Statements [1]	5 years	Personnel Contracts (expired)	3 years
Birth Certificate	Permanently	Petty Cash Vouchers	3 years
Capital Stock and Bond Records: ledger, transfer registers, stubs showing issues, record of interest coupons, options, etc.	Permanently	Physical Inventory Tags	3 years
Cash Books	Permanently	Plant Cost Ledgers	7 years
Charts of Accounts	Permanently	Proof of Naturalization, if Foreign Born	Permanently
Checks (canceled - see exception below)	7 years	Property Appraisals by Outside Appraisers	Permanently
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	Property Records, including costs, depreciation reserves, year-end trail balances, depreciation schedules, blueprints and plans.	Permanently
Contracts, Mortgages, Notes and Leases expired	7 years	Purchase Orders (except purchaing department copy)	1 year
Contracts, Mortgages, Notes and Leases: Still in effect.	Permanently	Purchase Orders (purchasing department copy)	7 years
Correspondence (general)	2 years	Receiving Sheets	1 year
Correspondence (legal and important matters only)	Permanently	Retirement and Pension Records	Permanently
Correspondence (routine) with customers and/or vendors	2 years	Requisitions	1 year
Deeds, Mortgages and Bills of Sale	Permanently	Sales Commission Reports	3 years
Depreciation Schedules	Permanently	Sales Contracts	7 years
Employment Applications	3 years	Sales Records	7 years
Expense Analyses/Expense Distribution Schudels	7 years	Scrap and Salvage Records (Inventories, sales, etc.	7 years
Financial Statements (year end, other optional)	Permanently	Stenographers Notebooks	1 year
Garnishments	7 years	Stocks and Bond Certificats (canceled)	7 years
General/Private Ledgers, Year-end Trial Balance	Permanently	Stockroom Withdrawal Forms	1 year
Insurance Policies (expired)	5 years	Subsidiary Ledgers	7 years
Insurance Records, Current Accident Reports, Claims, Policies, etc.	Permanently	Tax Returns and Worksheets, Revenue Agents' Reports, and Other Documents Relating to Determination of Income Tax Liability	Permanently
Internal Audit Reports (longer retention periods may be desirable)	3 years	Time-books/cards	7 years
Internal Reports (Miscellaneous)	3 years	Trademark Registrations and Copyrights	Permanently
Inventories of Products, Materials and Supplies	7 years	Training Manuals	Permanently
Invoices (to customers, from vendors)	7 years	Union Agreements	Permanently
Journals	Permanently	Voucher Register and Schedules	7 years
Marriage and Divorce Records	Permanently	Vouchers for Payment to Vendors, Employees, etc. (includes allowances and reimbursement of employees, officers, etc., for travel and entertainment expenses)	7 years
Minute Books of Directors, Stockholders, Bylaws, and Charter	Permanently	Withholding Tax Statements	7 years

[1] While the suggested retention period for bank statements and related reconciliations is 5 years, New Mexico Taxation and Revenue Department will go back 6 years during a compensating tax audit. Accordingly, New Mexico businesses may want to retain these documents for longer than the suggested 5 years.