

Southern Oregon Multiple Listing Service, Inc.

POLICIES AND PROCEDURES

Approved by the Board of Directors April 2024

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POLICIES and PROCEDURES
of the Southern Oregon Multiple Listing Service, Inc. ("SOMLS")

SECTION 1
GENERAL

Section 1-1

Policy Purpose and Formulation

Policy statements serve the purpose of developing guidelines and standards for the internal operations of SOMLS. Policy statements shall be approved by the Board of Directors on a continuing basis as needed and must be re-approved each year by the new Board of Directors. Policy recommendations may be made to the Board of Directors by Staff, Participants, Subscribers, or Users. Approved policy statements from one year shall remain in effect until the first meeting of the Board of Directors the following year.

(amended 5/09)

Section 1-2

Meetings

1. Board of Directors' meetings will convene at a date and time determined by the President each year and ratified by the Board of Directors. Meetings will be held at the Board Conference Room unless rescheduled by the President. There may be special meetings upon appropriate notification.
2. Other meetings for the Southern Oregon Multiple Listing Service shall be as defined in Article 7 of the SOMLS Bylaws.
3. Excluding such animals as may be present as an aid for a disability, animals are not allowed at any SOMLS meeting, event, or class without prior approval from the President, whether it is held at the SOMLS office, or otherwise, and may not be taken to any showings and/or viewings of properties listed with SOMLS without prior approval from the listing agent or seller.

(amended 4/24)

Section 1-3

Communications

1. Minutes of the Board of Directors' meetings will be available to the Participants, Subscribers, and Users upon request following approval of the minutes by the Board of Directors. Minutes and financial reports may be viewed with the Chief Executive Officer at the SOMLS office, but no individual may make copies nor will copies be sent to an individual via US mail or electronic means.
2. Communications with Participants, Subscribers, and Users regarding special meetings shall be conducted as per Article 7, section B of the Bylaws.
3. The official method of disseminating information (including, but not limited to, notices of meetings, bylaws or policy changes, etc.) to Participants, Subscribers, and Users shall be by electronic or printed material and shall be distributed through electronic means or U.S. Mail.
4. Flyers for classes or events not sponsored by SOMLS, the Rogue Valley Association of REALTORS®, or Oregon Data Share will not be disseminated without prior approval from the Board of Directors.

5. Rosters are provided to Participants, Subscribers, and Users for their convenience for conducting business with each other. Rosters shall not be used for non-real estate related marketing purposes, political purposes, soliciting charitable contributions, or for any other purpose not related to Participants' and Subscribers' real estate related business or activities. Rosters shall not be provided to anyone not a Participant, Subscriber, or User of SOMLS without prior approval from the Board of Directors.

As a reminder, all Broadcast email communications, including those utilizing the roster must comply with the Federal CAN-SPAM Act. Upon notice of a determination of a communication's violation of law or regulation, access to the downloadable roster may be suspended by the Board of Directors. The CAN-SPAM Act's main requirements are¹:

- a. Don't use false or misleading header information.
- b. Don't use deceptive subject lines.
- c. Identify the message as an ad.
- d. Tell recipients where you're located. Your message must include a valid physical postal address.
- e. Tell recipients how to opt out of receiving future email from you. Your message must include a clear and conspicuous explanation of how the recipient can opt out of getting email from you in the future.
- f. Honor opt-out requests promptly.
- g. Monitor what others are doing on your behalf.

¹Source: FTC Facts for Business publication, "The CAN-SPAM Act: A Compliance Guide for Business."
<https://www.ftc.gov/tips-advice/business-center/guidance/can-spam-act-compliance-guide-business>

(amended 4/24)

Section 1-4

Public Relations

1. Any public statements, correspondence, and/or written solicitations outside of set policy must be approved by the President and delivery of such is reserved for the President or his/her designee.
2. Spokesperson training will be provided on at least a bi-annual basis. Only those individuals attending the training will be authorized to speak to the media on behalf of SOMLS as directed by the President or Chief Executive Officer. Efforts will be made to include representatives from various industry sectors (e.g. – commercial, appraisal, etc.) in the spokesperson training.

(adopted 8/16)

Section 1-5

Affiliate Members of the Shareholder(s)

In cooperation with its shareholder(s), SOMLS will provide Affiliate Members of the shareholder(s)

- a. Networking opportunities and, on a scheduled basis, presentation time at tour meetings.
- b. Tech support (limited to that which pertains to SOMLS Services).
- c. Advertising opportunities to SOMLS Participants and Subscribers in print and/or electronic media as approved by the Board of Directors.

(amended 10/13)

Section 1-6

Annual Checklist

Annually at the first Board of Directors meeting of each Board year, the following procedures will be performed:

- a. The Board of Directors shall affirm existing bank accounts and/or approve any new and necessary bank accounts; affirm existing designated reserve funds; and approve increases or reductions to the designated reserve funds.
- b. A review of the current governing documents should be made and reaffirmed or revised.
- c. As required, new signatures cards and corporate resolutions will be signed for the bank accounts.
- d. All financial institutions should be notified of any changes to the authorized signers of the accounts within ten (10) business days following the meeting.

(adopted 5/09)

Section 1-7

Chief Executive Officer (“CEO”) and the Board of Directors

1. The SOMLS President shall be the direct supervisor of the CEO, except as allowed by written agreement. Any conflict in authority shall be resolved by the SOMLS Board of Directors.
2. The CEO will provide a monthly report to the Board of Directors on the status, progress, and implementation of passed motions and other activities.

(amended 4/18)

Section 1-8

Computer System Backup Procedures

1. The Technology Officer is responsible for daily backups of critical server and workstation files and databases. At a minimum, backups of the following data must be maintained:
 - a. Financial data
 - b. User data
 - c. Staff E-Mail
 - d. Contents of the G-Drive (shared network storage)
2. Encrypted backups will be maintained off premises in a secure location, which shall be noted in the approved Crisis Management Plan. This may include physical media and/or vendor provided off-site backup storage services as the situation warrants.
3. A comprehensive information systems disaster recovery plan will be approved at least bi-annually by the Board of Directors as part of the Crisis Management Plan and will be maintained and reviewed at least annually by the CEO and Technology Officer. A copy of the plan will also be stored off site in a secure location. At a minimum, the plan will detail file recovery procedures and any passwords required to recover encrypted data.

(amended 4/18)

SECTION 2 PARTICIPATION AND SUBSCRIPTION

SECTION 2-1 DEFINITIONS

Participants, Subscribers, and Users shall be as defined and outlined in the Oregon Data Share Rules and Regulations.

(adopted 4/24)

SECTION 2-2 PARTICIPANTS

A. NEW PARTICIPANTS:

An applicant for participation in SOMLS shall complete all required forms and pay the one-time new participant fee as stated in Section 2-5 below, with such fee to accompany the application. Participation applies to the individual who is the Participant, not the firm. Application shall be made and the new participant fee paid in the event of a change in the Participant of any firm. A change of name of firm, without a change of Participant, OR an existing Participant opening a new firm or moving to another existing firm shall not incur an additional new participant fee.

B. RENEWING PARTICIPANTS:

If an inactive Participant wishes to reactivate Participation and at the time of inactivation was a Participant in good standing, the following reactivation fees would apply.

1. If the reactivation is within one (1) year, the fee shall be as stated in Section 2-5 below.
2. If the reactivation occurs after one (1) year, but within two (2) years, the fee shall be as stated in Section 2-5 below.
3. If the reactivation is after two (2) years, the Participant is considered to be new and shall make application and pay fees as defined in Part A of this Section.

C. ADDITIONAL FIRMS OR FIRM LOCATIONS:

If an active Participant opens an additional firm (whether a branch location of the existing firm or another firm name altogether) and desires licensees at said firm to be part of SOMLS and said Participant will also be the Participant of the new firm, the Participant will be charged an additional firm set-up fee as stated in Section 2-5 below. If the Participant desires to designate a separate Participant for the additional firm then application and fees would be as defined in part A of this section. An additional firm with same Participant shall not entitle said Participant to an additional vote in SOMLS matters.

- D.** New Participants will be charged the full applicable monthly access fee as stated in Section 2-5 below or, if activating after the 15th of the month, half the monthly access fee as stated in Section 2-5 below.

- E.** Participants must notify SOMLS of changes to Participation PRIOR to the first day of the month in order to receive credit for that month's billed fees.

(adopted 4/24)

SECTION 2-3 SUBSCRIBERS

- A.** Participants must report changes to licensees affiliated with said Participant to SOMLS, within two (2) business days of licensee joining or leaving Participant's firm using the

appropriate form.

1. A Participant is to note the date the licensee is licensed with said Participant when adding a new licensee or when transferring an existing Subscriber from another Participant. A transfer fee as stated in Section 2-5 below will be charged to Subscribers transferring from one Participant to another Participant provided the transfer occurs within a thirty (30) day period. A Subscriber who inactivates from a Participant and re-activates with another or same Participant more than thirty (30) days from the date of the inactivation will be charged an activation fee as stated in Section 2-5 below.
 2. When deleting a licensee, the Participant is to note the date the licensee's license is inactivated from the firm with the Oregon Real Estate Agency.
 3. Fees are payable based upon the date the license change (adding or deleting) is made with the Oregon Real Estate Agency.
 4. Participants must notify SOMLS of Subscriber changes PRIOR to the first day of the month in order for the Subscriber to receive credit for that month's billed fees.
- B. If a Participant fails to notify SOMLS of the addition of a licensee within the prescribed time period, the Participant shall be charged an administrative fee as stated in Section 2-5 below and the Subscriber may be billed for monthly access fees retroactive to the date the licensee was first licensed with the Participant.
- C. All new and renewing (if period of inactivation was greater than thirty (30) days) Subscribers will be charged an activation fee as stated in Section 2-5 below.
- D. New Subscribers will be charged the full applicable monthly access fee or, if activating after the 15th of the month, half the monthly access fee, as stated in Section 2-5 below.

(adopted 4/24)

SECTION 2-4 USERS

- A. Changes to Clerical Users, Personal Assistants, or Registered Appraiser Assistants (collectively "Users") affiliated with a Participant (or Subscriber in the case of a Personal Assistant) must be reported to SOMLS within two (2) business days of the User joining or leaving the firm using the appropriate form.
1. The Participant or Subscriber is to note the date the User becomes affiliated with said Participant or Subscriber when adding a new User or when transferring an existing User from another Participant or Subscriber.
 2. When deleting a User, the Participant or Subscriber is to note the date the inactivation occurred.
 3. Applicable fees are payable based upon the date indicated on the form.
 4. Participants must notify SOMLS of Subscriber changes PRIOR to the first day of the month in order for the Subscriber to receive credit for that month's billed fees.

- B. If a Participant or Subscriber fails to notify SOMLS of the addition of a User and is allowing that User to access the MLS utilizing another individual's login credentials, the Participant and User will be assessed a fine as outlined in the Oregon Data Share Rules and Regulations.
- C. New Users will be charged the full applicable monthly access fee for their User category as stated in Section 2-5 below no matter when in the month they become active with SOMLS.

(adopted 4/24)

SECTION 2-5

SERVICE CHARGES AND FEES

- A. The established service charges and fees are in effect to defray the costs of operation and are subject to change from time to time by action of the SOMLS Board of Directors.
- B. Monthly access fees, miscellaneous charges, late fees, and all other fees are established by the SOMLS Board of Directors and are due in full on a monthly basis for each Participant and each Subscriber and User affiliated with the Participant.

C. FEE SCHEDULE

New Participant.....	\$ 500.00
Renewing Participant (within 1 year).....	\$ 100.00
Renewing Participant (after 1 year, but within 2 years).....	\$ 250.00
Additional Firm Set-up Fee	\$ 100.00
Monthly Access Fee: Participants and Subscribers	\$ 57.00
Monthly Access Fee: New Participant or Subscriber after 15 th of the month	\$ 28.50
Monthly Access Fee: Registered Appraiser Assistants (first 18 mths) ..	\$ 30.00
Monthly Access Fee: Registered Appraiser Assistants (after 18 mths) ..	\$ 57.00
Monthly Admin Fee: Clerical Users and Personal Assistants.....	\$ 15.00
Activation Fee	\$ 30.00
Transfer Fee	\$ 10.00
Administrative Fee for Unreported New Licensee	\$ 100.00
Late Fee.....	\$ 30.00

(adopted 4/24)

SECTION 2-6

MONTHLY ACCESS FEES

- A. All active Participants, Subscribers, and Registered Appraiser Assistant Users shall be charged a monthly access fee. Licensees affiliated with a Participant may waive subscription to SOMLS within the parameters and requirements outlined in Section 2-8, part B, below. Monthly access fees shall be as stated in Section 2-5 above.
- B. Participants who have multiple firm locations shall not be required to pay multiple monthly access fees for themselves.
- C. All active Clerical Users and Personal Assistants shall be charged a monthly administrative fee as stated in Section 2-5 above.

(adopted 4/24)

SECTION 2-7 COMPLIANCE

Failure to pay any undisputed service charge or fee within ten (10) days of the date due shall cause SOMLS services to be suspended and additional action taken as outlined in Section 4-5, part 4, of these Policies and Procedures, provided that two (2) business days' notice has been given.

(adopted 4/24)

SECTION 2-8 PARTICIPATION AND SUBSCRIPTION WAIVERS

- A. In recognition of the sacrifice of military service, and in concert with RVAR, SOMLS will credit that portion of monthly MLS fees for Participants or Subscribers who are called to active duty in the National Guard or Ready Reserve.

Prior to the date of active duty, the Participant or Subscriber will provide proof of activation (letter, orders, etc.) and the date the suspension will take effect. SOMLS will credit the individual's monthly fees from that date through the end of the period of service. Credit will be allowed even if the individual's real estate license remains active with the firm. Reactivation of the individual's SOMLS service must be within thirty (30) days of end of military activation period. All fees associated with reactivation will be waived.

If the military waiver is for a Participant, a designee must be named as a Designated Broker (SOMLS Bylaws Article 4, part C) for the firm. Such designation may be temporary for the duration of the Participant's waiver or ongoing, at the Participant's discretion.

- B. SOMLS will provide Participants a no-cost waiver of SOMLS fees and charges for any real estate licensee or licensed or certified appraiser affiliated with the Participant who can demonstrate subscription to a different MLS or Commercial Information Exchange ("CIE") where the Participant also participates. The waiver shall be completed by the Participant for certification of non-use of SOMLS services by their licensees seeking a waiver.

A waived individual may not derive any benefit from SOMLS services. Therefore, a waived individual may NOT:

- a. Be a listing broker for any active listing in the SOMLS system.*
- b. Possess, control, or use an SOMLS key box access device to enter, view, or show any property that is listed in the SOMLS system.*
- c. Use any SOMLS products or services available only to authorized Subscribers affiliated with the Participant.*
- d. Access the SOMLS system to view current or historical listing information, access or use comparable and statistical information/reports, or obtain a data use license.*
- e. Use other services or devices provided by SOMLS or its affiliated or licensed vendors/suppliers that permit access to, and use of, any listing information from the SOMLS system.*
- f. Use information from the SOMLS system to:
 - i. procure listings of properties for sale or lease; OR
 - ii. identify or locate properties for any potential buyers or lessees.*
- e. Be part of a designated real estate "Team" where one or more of the other Team members are Subscribers to SOMLS.

*These prohibitions do not apply to those products and services provided by Oregon Data Share if the waived individual is a Subscriber in another MLS active in Oregon Data Share.

Violation of any of the above conditions will result in automatic revocation of the waiver for the individual recipient. The Participant will be invoiced for SOMLS subscription fees, retroactive for one billing year or to the date SOMLS service was first waived, whichever is less, plus a one thousand dollar (\$1,000.00) non-compliance fee for each waiver recipient that has his or her waiver revoked. The invoice will be due within seven (7) calendar days after the waiver recipient becomes ineligible. Failure to pay the amounts owed by the due date will result in the MLS access for the Participant and all Subscribers associated with the Participant being suspended until all fees have been paid.

If the Participant notifies SOMLS within two (2) business days of any waived individual affiliated with the Participant becoming ineligible for a waiver and simultaneously with such notice to SOMLS, either immediately informs the waived individual that they must subscribe to SOMLS within two (2) business days and pay the applicable retroactive fees OR severs the firm's relationship with the licensee, then the Participant shall not incur the non-compliance fee.

In the event the waived licensee utilized another Subscriber's login credentials to access the SOMLS system, then the penalties and sanctions outlined in the Oregon Data Share Rules and Regulations shall apply.

(adopted 4/24)

SECTION 3 TOUR

Section 3-1 Ashland

1. An Ashland Tour Meeting, referred to as the "meeting" in the remainder of this section, will be held on Thursdays starting at 8:30 a.m. Tour will immediately follow the meeting. Door opens at 8:00 a.m.
2. Attendance at the tour meeting and tour is restricted to active and reciprocal licensees in the SOMLS. If affiliates or speakers are present at the beginning of the meeting, they shall be excused prior to the beginning of the MLS portion of the meeting.
3. An Ashland Tour Coordinator shall be appointed on an annual basis by the President and ratified by the Board of Directors. The duties of the Tour Coordinator include:
 - a. Conducting the meeting.
 - b. Ensuring that the tour is routed and printed for the meeting.
 - c. Contacting the SOMLS office after the meeting to advise staff of any changes to the tour that occurred during the meeting.
 - d. Scheduling Affiliate members and/or guest speakers.
 - e. Other duties as may be assigned by the President.
4. The existing SOMLS Rules and Regulations regarding electronic devices will be in effect throughout the meeting and will be enforced.

5. Affiliates may be present at the first Thursday of each month to make no longer than a 5-minute presentation.
6. Guest speakers must be set up in advance through the Ashland Tour Coordinator with at least two weeks prior notice given to the members. Typically, there shall be no speakers from May 1 through October 1. Presentations shall be limited to 15 minutes, including questions and answers.
7. Properties to be placed on tour (new listings must be in the MLS system and have an MLS #) must be submitted to the SOMLS Office by 8:00 a.m. on Wednesday preceding the tour, after which no additions will be allowed. It is the responsibility of each agent to confirm whether or not his/her listing is on the tour schedule.
8. Properties will be toured in caravan fashion, the order of which will be determined at the discretion of the tour coordinator or their designee.
9. There shall be no limit to the number of properties on tour. However, there shall be north/south tours on alternating weeks; boundaries will be Crowson Road and Ashland Mine Road. All properties lying within those boundaries may be scheduled every week; on a south tour, nothing beyond Ashland Mine Road will be scheduled; on a north tour nothing beyond Crowson Road will be scheduled.
10. A listing may not be re-toured again for sixty (60) days.
11. There shall be no alcoholic beverages served for consumption at any property on tour.
12. Agents will be allowed to speak for 30 seconds per property.
13. There shall be a time during the "announcements" segment of the meeting within which agents can give a brief presentation on a problem listing, price change, change in status of a listing, etc. Other announcements will be limited to the following categories:
 - a. RVAR or SOMLS related activities/issues.
 - b. Specific buyer needs.
 - c. Winners of drawings, with comments limited to what the prize was, the name of the winner, and property address only.
14. The listing agent or a representative must present the listing on tour at the appropriate time during the meeting. If no one is present to represent the listing, the listing will be removed from tour.
15. There will be a display board for new signed listings not on tour. The listing agent may announce said listings as noted in Part 11 of this Section.
16. There will be display boards for Change of Status information (i.e., price reductions, pending and sold information, changes in showing instructions, material changes in condition, etc.) and a corkboard for have/wants related to rentals, personal property, charitable organization events/activities, and specific buyer needs. There will be a separate flyer table for new listings (new since date of last tour).

17. An occupied property on Tour shall have the agent, the owner, or a representative of either present at all times during the tour. An occupied property is defined as any property that is being resided in, temporarily or otherwise, by the owner, tenant(s), or any others.
18. A vacant property on Tour may be un-hosted, although it is strongly recommended that the agent or owner be present to answer any questions that may come up. A vacant property is defined as any property that is NOT being resided in, temporarily or otherwise, by the owner, tenant(s), or any others.
(amended 8/16)

Section 3-2

Medford

1. A Medford Tour Meeting, referred to as the “meeting” in the remainder of this section, will be held on Wednesdays starting at 8:30 a.m. Tour will begin at the conclusion of the meeting and conclude at 10:30 a.m. Properties on tour may be kept open later at the listing broker’s option, but may not be closed earlier than 10:30 a.m.
2. Attendance at the tour meeting and tour is restricted to active and reciprocal licensees in the SOMLS. If affiliates or speakers are present at the beginning of the meeting, they shall be excused prior to the beginning of the MLS portion of the meeting.
3. The Medford Tour Coordinator shall be arranged annually on a monthly rotation comprised of volunteers who attend the Medford Tour meeting on a regular basis. The duties of the Tour Coordinator include:
 - a. Ensuring arrangements are made to pick up the tour sheets at the SOMLS office; coffee gets made prior to the meeting; and clean up gets done after the meeting.
 - b. Contacting the SOMLS office after the meeting to advise staff of any changes to the tour that occurred during the meeting.
 - c. Scheduling Affiliate members and/or guest speakers.
 - d. Other duties as may be assigned by the President.
4. Properties to be placed on Tour must be submitted to the SOMLS office or system by 8:00 a.m. on Monday preceding the Tour (unless otherwise notified by the SOMLS office) and have an MLS number. Status changes for properties already scheduled for tour must be entered no later than 10:00 a.m. on Monday morning in order to effect whether or not the property will show on the final tour list.
5. There shall be no limit to the number of properties on tour and there shall be no boundaries as to what can be placed on tour each week, unless the attendees at the tour meeting request otherwise. If requested, there shall be north/south tours on alternating weeks. A north tour will include Medford areas 1 and 2 and areas 3, 7, 8, 11-14, 16-18, 20, 21, 22, and all areas 30 and higher. A south tour will include Medford areas 1 and 2 and areas 4, 5, 6, 9, 10, 15, and 19.
6. New listings submitted during the last seven days, but not on Tour may be written on a display board and agents will be allowed to speak for 30 seconds per property.
7. The existing SOMLS Rules and Regulations regarding electronic devices will be in effect throughout the meeting and will be enforced.
8. Agents will be allowed to speak for 30 seconds per property.

9. There shall be a time during the “announcements” segment of the meeting within which agents can give a brief presentation on a problem listing, price change, change in status of a listing, etc. Other announcements will be limited to the following categories:
 - a. RVAR or SOMLS related activities/issues.
 - b. Specific buyer needs.
 - c. Winners of drawings, with comments limited to what the prize was, the name of the winner, and property address only.
 10. RVAR Affiliates and other guest speakers must be set up in advance through the Medford Tour Coordinator. Presentations shall be limited to five (5) minutes, including questions and answers. The Tour Coordinator reserves the right to postpone presentations to a later date if there are a substantial number of properties on tour and/or conflicting or multiple presentations.
 11. The listing agent or a representative must present the listing on tour at the appropriate time during the meeting. If no one is present to represent the listing, the listing will be removed from the Tour.
 12. There will be NO alcoholic beverages served for consumption at homes on the Tour.
 13. A listing may not be re-toured again for sixty (60) days.
 14. An occupied property on Tour shall have the agent, the owner, or a representative of either present at all times during the tour hours. An occupied property is defined as any property that is being resided in, temporarily or otherwise, by the owner, tenant(s), or any others.
 15. A vacant property on Tour may be un-hosted, although it is strongly recommended that the agent or owner be present to answer any questions that may come up. A vacant property is defined as any property that is NOT being resided in, temporarily or otherwise, by the owner, tenant(s), or any others.
- (amended 4/18)*

Section 3-3

Josephine County

1. A Josephine County SOMLS Meeting, referred to as the “meeting” in the remainder of this section, will be held on a monthly basis at the Josephine County SOMLS office.
2. Attendance at the meeting is restricted to active Participants and Subscribers in SOMLS and SOMLS staff. If affiliates or speakers are present at the beginning of the meeting, they shall be excused prior to the portion of the meeting discussing or announcing properties.
3. Meeting Coordinators shall be selected on a rotating monthly basis of volunteers who attend the meeting on a regular basis. The duties of the Meeting Coordinator include:
 - a. Conducting the meeting.
 - b. Scheduling Affiliate members and/or guest speakers.
 - c. Other duties as may be assigned by the President.
4. RVAR Affiliates and other guest speakers must be set up in advance through the Meeting Coordinator. Presentations shall be limited to five (5) minutes, including questions and

answers. The Meeting Coordinator reserves the right to postpone presentations to a later date. There shall be no more than one presentation per meeting and an RVAR Affiliate or other guest speaker may not present at a meeting more than once per quarter.

5. Properties to be presented or discussed at the meeting must be in the MLS system and have an MLS #. Agents may discuss newly signed listings, price changes, status changes, and other changes to their listings provided that the listing is in the MLS system.
6. Announcements not related to specific properties will be limited to the following categories:
 - a. RVAR or SOMLS related activities/issues.
 - b. Specific buyer needs.
 - c. Winners of drawings held at broker tours.

(amended 1/20)

SECTION 4 ACCOUNTING

Section 4-1

Purpose

The purpose of this section is to document the internal accounting procedures for SOMLS to ensure that assets are safeguarded, that financial statements are in conformity with generally accepted accounting principles, and that finances are managed with responsible stewardship. All personnel with a role in the management of SOMLS' fiscal operations are expected to uphold the policies in this manual. It is the intention of SOMLS that these accounting policies and procedures serve as our commitment to proper, accurate financial management and reporting.
(adopted 5/09)

Section 4-2

Division of Duties

The following is a bullet point overview of the responsibilities within the accounting department and who is responsible for said duties. This list is not comprehensive.

CEO:

1. Approve invoices and reimbursement requests, in the absence of the Executive Assistant, excluding those reimbursements payable to the CEO.
2. Draft an annual budget proposal for presentation to the Treasurer.
3. Review timesheets and process payroll.
4. Review all invoices and attachments with checks being presented for signature.
5. Review reconciled bank statements.
6. Prepare monthly financial reports for review by the Treasurer.
7. In coordination with the Executive Assistant, take deposits to the bank.
8. Advise Bookkeeper when check signers will be available.
9. Review and approve the annual personal property tax return.
10. Review the monthly variance report prior to dissemination to the Board of Directors.
11. In cooperation with the Executive Assistant, perform a quarterly review of the petty cash fund.
12. Manage asset accounts.

Executive Assistant:

1. Approve invoices and reimbursement requests, excluding those reimbursements payable to the Executive Assistant.

2. Obtain input from staff members, and committee/task force/work group chairs to assist the CEO with preparation of the annual budget.
3. Prepare monthly financial reports and variance report for the Board of Directors meeting.
4. Verify all reimbursement requests against receipts provided.
5. In coordination with the CEO, take deposits to the bank. In the absence of the Bookkeeper, prepare deposits and the CEO will take the deposit to the bank.
6. Advise Bookkeeper when check signers will be available.
7. In cooperation with the CEO, perform a quarterly review of the petty cash fund.
8. Prepare annual personal property tax return for CEO's review and approval.

Bookkeeper:

1. Process all accounts receivables.
2. Process cash receipts and prepare bank deposits.
3. Process merchant account reports.
4. Receive bank statements and reconcile.
5. Manage the petty cash fund.
6. Reconcile company credit card statements.
7. Prepare checks for accounts payable payments and reimbursements.

Treasurer:

1. Review financial reports on a monthly basis.
2. With the President Elect, review and approve annual budget proposal for presentation to the Board of Directors.

President:

1. Review the monthly financial reports in the absence of the Treasurer.
2. Review all invoices and attachments with checks being presented for signature.
3. Review reconciled bank statements.

President Elect:

1. Review the monthly financial reports in the absence of both the Treasurer and the President.
2. Review all invoices and attachments with checks being presented for signature.
3. Review reconciled bank statements in the absence of the President.
4. With the Treasurer, review and approve annual budget proposal for presentation to the Board of Directors.

Immediate Past President:

1. Review all invoices and attachments with checks being presented for signature.

Board of Directors:

1. Review and approve annual budget proposal for the following year not later than the December Board meeting.
2. Review and approve all contracts for goods and services that occur within the fiscal year that are in excess of the approved budget or which exceed \$10,000.00.
3. Mail accounts payable and reimbursement checks after obtaining signatures if requested by the CEO.

Support Staff Members (for the purpose of Section 3 of these policies, this means any staff other than the CEO, Executive Assistant, Bookkeeper, or Branch Office Administrator):

1. Receive, open, and disburse all incoming mail.

2. Perform monthly inventory count, as directed by the CEO.
3. Mail accounts payable and reimbursement checks after obtaining signatures.
4. Audit cash/check deposits prior to deposit being taken to the bank.

Branch Office Administrator:

1. Receive, open and disburse all incoming mail.
2. Process cash receipts and prepare bank deposits.
3. Take deposits to the bank.
4. Provide monthly inventory count to appropriate staff at main office.
5. Manage the petty cash fund.

(amended 1/20)

Section 4-3

Financial Planning

1. **OPERATING RESERVES:** A restricted operating reserve shall be established to be used in case of an excessive drop in active participants and subscribers. The balance for the reserve shall be an amount not less than fifty percent (50%) of the total expense budget for that calendar year. The annual adjustment to the reserve shall be made to/from the retained earnings ledger item.
2. **CAPITAL RESERVES:**
 - a. **BUILDING:** A building reserve fund shall be established as a restricted capital expense account to be used for capital improvements and repairs to the SOMLS facilities and tenant spaces. The Minimum Balance for the fund shall be \$35,000, and the annual target contribution to the reserve shall be an amount equal to three percent (3%) of the County Real Market Value of the building(s). Expenditures from this account are to be approved by the Board of Directors either with the annual budget or on an as-needed basis throughout the year.
 - b. **COMPUTER, FURNITURE, AND OFFICE EQUIPMENT:** A reserve fund shall be established as a restricted capital expense account to be used for replacements or upgrades for computer equipment, furniture, and/or office equipment. The amount of the reserve shall be as established by the Board of Directors and as may be adjusted from time to time. Expenses from the reserve shall be as approved with the annual budget. Notwithstanding the Board of Directors may approve expenses from this reserve on an as-needed basis.
 - c. **KEYBOX SYSTEM:** A keybox reserve fund shall be established as a restricted capital expense account to be used for a replacement or upgrade of the keybox system at the end of the contract period. A portion of the monthly fee for each Participant and Subscriber shall be designated for the Keybox reserve. The amount of the portion of the monthly fee shall be approved by the Board of Directors with the annual budget. This maximum for this reserve shall be five hundred thousand dollars (\$500,000). No expenses shall be charged to this reserve without authorization from the Board of Directors.
3. **BOARD ACTION RESERVES:**
 - a. **LEGAL ACTION AND ISSUES MOBILIZATION:** A Legal Action and Issues Mobilization reserve fund shall be established to be utilized upon authorization of the Board of Directors to assist with expenses incurred in defense of an action against SOMLS or for litigation that affects the real estate industry as a whole or to assist with local political issues affecting real property rights, real property, real estate, real estate

licensees, and the real estate industry. The amount of the reserve shall be as established by the Board of Directors and as may be adjusted from time to time. Expenditures from this reserve are to be approved by the Board of Directors on an as-needed basis. Approval of disbursement of funds from this reserve does not constitute, nor is it equivalent to, an endorsement from SOMLS of the requestor's position on the issue in question.

4. OTHER RESERVES: Other reserves may be established by the Board of Directors as needed and will be evaluated for both continued necessity and amount in the reserve each year during the budgeting process.
5. BUDGET:
 - a. The Executive Assistant shall assist the CEO to obtain input from other staff members, the President, the President Elect, the Treasurer, the Treasurer Elect, and work group and task force chairs for the CEO to prepare a budget proposal for the next fiscal year. The proposal will be reviewed first by the Treasurer and the President Elect and then presented to the Board of Directors not later than the December Board of Directors meeting of each calendar year.
 - b. Board of Directors approval is required in order to exceed previously approved budgeted amounts for non-standard operating expenses.
6. RISK REDUCTION: This section of the policies seeks to minimize risk by requiring that several individuals, both staff and volunteers, are involved in creating and/or reviewing the reserves and the annual budget. Neither the reserves nor the budget can be altered without the approval of the Board of Directors.
(amended 4/18)

Section 4-4

Banking

1. All monies received by SOMLS for any purpose shall be deposited to the credit of SOMLS in a financial institution or institutions selected by resolution of the Board of Directors.
2. Authorized signatories on all SOMLS accounts shall be the following:
 - a. CEO for SOMLS
 - b. Current President of SOMLS
 - c. President-Elect of SOMLS
 - d. Immediate Past President of SOMLS
3. Two signatures shall be required on all checks written on SOMLS accounts. Signatories may not sign checks made out to them if the value of the check is greater than fifty dollars (\$50.00).
4. EFT's (Electronic Funds Transfer) shall be approved by either the CEO or Executive Assistant and reviewed by one of the signatories other than the CEO. EFT is utilized for those vendors who do not accept checks or where the payment is time sensitive (i.e. – credit card payments).
5. RISK REDUCTION: This section of the policies seeks to minimize risk by requiring that more than one individual, both staff and volunteers, act as signatory on checks or provide approval for EFTs.
(amended 10/13)

Section 4-5

Accounts Receivable and Cash Receipts

1. Requests for refunds or credits will not be granted, except as defined in the SOMLS Rules and Regulations Section 8-5(A) or as approved by the Board of Directors. If a Participant or Subscriber inactivates with a credit balance on their account, the balance will not be refunded.
2. Disputes must be submitted in writing, via US mail or email, to the CEO. The Board of Directors will make a determination after reviewing the written request and the original charge at their next regularly scheduled business meeting.

3. STATEMENTS AND INVOICES

- a. Participants and Subscribers:
 - i) Monthly statements are due on the 1st of each month.
 - ii) Fees must be paid no later than 10th of each month (or the first business day thereafter if the 10th is not a business day) or they shall be considered delinquent, per the SOMLS Rules and Regulations Section 11-6.
 - iii) Monthly statements shall be sent not later than the 20th of the preceding month (or the first business day thereafter if the 20th is not a business day).
- b. Others:
 - i) Contract for Services invoices shall be prepared not sooner than the first of the month and not later than the tenth and dated the final day of the preceding month.
 - ii) Invoices for other services, such as RETS feeds, shall be prepared and sent in accordance with the agreement for each particular vendor.

4. LATE FEES

- a. All charges are due on the first business day of the month and are late the first business day after the 10th of the month.
- b. If all fees and charges are not paid in full by the 1st business day after the 10th of the month, access and services will be suspended and a late fee as stated in Section 2-5 of these Policies and Procedures will be assessed.
- c. Access and services may be reinstated after suspension by bringing all past due charges and late fees current.
- d. If charges become two (2) months past due, the individual will be terminated. In order to be reinstated the individual will have to pay all past dues fees along with an activation fee and the current month fees as if a new member.
- e. In the event a Participant is suspended and/or terminated for non-payment Oregon Data Share will be notified so that any active listings in the system can be addressed. If a Participant is terminated per part d above, the licensees affiliated with the Participant will be given notice that they have five (5) business days to move their affiliation to another Participant or their SOMLS subscription will be suspended.
- f. In the event a Subscriber is terminated for non-payment, the Participant will have five (5) business days following the termination to inactivate the licensee from their firm or the Participant will become liable for the licensee's past due amount. Payment of the past due amount by the Participant will not reactivate the licensee unless the other requirements of part d above are also met. If the licensee continues to remain licensed with the firm, but doesn't reactivate, the Participant will also be billed for ongoing monthly fees for the licensee unless the licensee qualifies for a subscription waiver per Section 2-8, part B of these Policies and Procedures.

- g. Late fee waivers may be granted by the SOMLS CEO in the following two circumstances. All other requests for waiving a late fee must be made to and approved by the Board of Directors. Any waived late fees will be credited in the next monthly billing cycle.
 - i) If the individual is not already set up to have the payment automatically charged to a credit or debit card each month ("auto-pay"), the CEO has the authority to waive the most recent late fee at the time the individual sets up auto-pay.
 - ii) If the individual is already set up for auto-pay and incurs a late fee due to an expired card, the CEO has the authority to waive the late fee upon the individual updating the card on file AND provided that the individual has not incurred a late fee within the past twelve (12) months.

(adopted 4/24)

- 5. At the main office, receipts and log book entries for cash payments shall be verified for amount received and initialed by a second staff person. At a branch office, if a second staff person is available receipts and log book entries for cash payments shall be verified for amount received and initialed by the second staff person. At either office, check payments only require the initials of one staff member.
- 6. At the main office, the Bookkeeper receives all cash receipts. Weekly, or more often if needed, a deposit is prepared. The Bookkeeper then posts the payments to the membership program and the accounting program. Then the A/R is reconciled between the two programs. The deposit will be audited by a Support Staff Member. The audit is a comparison of what is in the deposit and what is recorded in the log book to ensure that all payments are being deposited. Either the CEO or the Executive Assistant will then take the deposit to the bank. In the absence of the Bookkeeper, the Executive Assistant will prepare the deposit and the CEO will take it to the bank.

At a branch office, the Branch Office Administrator will process all cash receipts, prepare deposits, post to the membership program, and send copies of the deposit slips, checks, receipts for cash payments, and print-out from the membership program to the Bookkeeper at the main office for posting in the accounting program and reconciling A/R. If a second staff person is available at the branch office, that individual will conduct an audit of the deposit prior to it being taken to the bank.

At any office, a deposit not taken to the bank the same day it is prepared will be locked in the safe until it can be taken to the bank. Prepared deposits shall not be held in the safe for more than two (2) business days.

- 7. Funds received from credit or debit card charges will be deposited directly to the general checking account by the merchant processor (currently the National Association of REALTORS® Ecommerce). The Bookkeeper is responsible for verifying the processing of payments made on credit or debit cards and processing batches on at least a weekly basis. The merchant account statement and charges will be reconciled by the Bookkeeper.
- 8. NON-HONORED CHECKS AND CHARGEBACKS:
 - a. Upon receipt of a non-honored check or chargeback on a credit or debit card, the Bookkeeper, or the Executive Assistant if Bookkeeper is absent, shall attempt to contact the member by telephone, followed immediately by written notification, to

inform them of the deficiency and that, if a Subscriber, their Participant will be notified if the deficiency is not corrected.

- b. Checks not honored by the financial institution shall incur a service fee equal to the amount of the fee charged by SOMLS' bank. Payment of the amount of the non-honored check plus the service fee must be paid to SOMLS within two (2) business days of notification of the deficiency by credit/debit card (provided the debit card is for a different account than the non-honored check), cashier's check, bank money order, or cash. Three (3) non-honored checks will result in the individual being restricted from using an unguaranteed form of payment, including but not limited to checks or non-bank money orders.
 - c. Credit/debit card chargebacks must be rectified within two (2) business days of notification of the deficiency by a credit/debit card, cashier's check, bank money order, or cash.
 - d. If the non-honored check or chargeback on a credit or debit card has not been corrected within two (2) business days, written notice shall be sent to the individual notifying them that they may be subject to additional penalties under part 4 of this Section. If the individual is a Subscriber, the Participant will be sent a copy of the letter.
9. Uncollectable accounts receivable shall be written off after one hundred twenty (120) days. Write-offs shall be approved by the CEO and reviewed by the Treasurer prior to making the journal entry.
 10. Discrepancies in accounts receivable shall be brought to the attention of the CEO who shall assign a staff member other than the Bookkeeper to investigate the discrepancy and if needed, propose a resolution.
 11. At least annually, the Bookkeeper will run the reports and utilities in the membership program that close out the accounting records.
 12. RISK REDUCTION: This section of the policies seeks to minimize risk by requiring that several individuals, both staff and volunteers, are involved in the approval and review process and any exceptions to the stated policies must be approved by the Board of Directors.
(amended 4/24)

Section 4-6

Cash Disbursements

1. Incoming invoices and reimbursement requests will be given to the Executive Assistant or the CEO in the Executive Assistant's absence, for approval. Any discrepancies on invoices received shall be investigated by a staff member other than the Executive Assistant or Bookkeeper at the CEO's request.
2. Invoices for products or services ordered will not be paid until product is received or service is completed and reimbursement requests will be double checked for receipts. Product orders, whether inventory or general supplies, shall be received and verified against the original order. The receive date and initials of the staff member receiving the order shall be written on the packing slip or original order receipt.

3. The Bookkeeper will prepare checks for signatures as needed or when it is known that a signer will be present. The checks should be attached to the invoice, and other supporting documentation, being paid and submitted for signatures.
4. When the President, President Elect, Immediate Past President, and/or CEO signs each check, he/she shall double check the documentation attached.
5. All checks will be mailed as soon as feasible after signatures are obtained. The CEO shall have a Support Staff member, or if no Support Staff members are available a member of the Board of Directors, place the checks in envelopes and stamp for mailing. The individual mailing the checks shall not be the Executive Assistant, the Bookkeeper, or one of the check signers.
6. The check stub will be attached to the supporting documentation and filed in appropriate vendor files.
7. The paid invoice files will be utilized to respond to any discrepancies which arise with vendors or other payees.
8. No later than the 25th of each month, the Executive Assistant and Bookkeeper will review the checks that have been issued that month to determine if there are any outstanding invoices which have not yet been paid or standard monthly expenses for which an invoice was not received. For invoices received but not yet paid, checks will be cut as soon as possible. If there are any standard monthly expenses for which an invoice was not received, the Executive Assistant will advise the CEO and follow up with the vendor to get an invoice and/or verify that our account is in good standing.
9. REIMBURSEMENTS:
 - a. Conferences and events and which Board of Directors members, Staff members, or other Board designees are to attend shall be as approved by the Board of Directors with the annual budget and as may be amended by the Board of Directors throughout the year.
 - b. All budgeted SOMLS travel expenses are to be reimbursed following receipt of reasonable proof of expenses paid out and in accordance with the travel allocations as established per the approved annual budget and following either a verbal or written report to the Board of Directors.
 - c. Requests for reimbursement must be submitted on an expense report along with copies of required receipts within thirty (30) days of the conclusion of the trip or event.
 - d. Members and/or Staff will not receive reimbursement for travel from SOMLS if they are being reimbursed for the same travel by another organization.
 - e. No reimbursement for travel expenses incurred outside of one day prior to and one day following event will be authorized without prior Board approval.
 - f. Mileage will be reimbursed at the allowed Federal Rate.
 - g. Receipts submitted for meals should show the detail of what was ordered along with the total paid (including tip). Reimbursements will not be given for alcoholic beverages purchased separately from a meal nor for meals or drinks for non-budgeted individuals accompanying the individual.
 - h. In the event of failure to attend a meeting to which funds have been advanced, reimbursement back to SOMLS must be made within thirty (30) days.

- i. Members of the Board of Directors who travel more than 15 miles round trip to attend a Board of Directors meeting may be reimbursed for miles travelled in excess of 15 miles when submitted on the appropriate form by the Director within thirty (30) days of the meeting date.
- j. For general reimbursement requests from staff members, receipts shall be compiled and submitted with an expense report on at least a quarterly basis.
- k. SOMLS will not reimburse expenses that are not in compliance with these policies or IRS requirements. In the event of extenuating circumstances, exceptions may be approved at the discretion of the Treasurer and CEO. In the event the exception request is for either the Treasurer or CEO, the President will take their place in making the determination of whether or not to approve the exception.
- l. Both the individual reviewing and approving the reimbursement request and the individual cutting the reimbursement check, will double check all reimbursement requests against receipts provided.

10. RISK REDUCTION: This section of the policies seeks to minimize risk by requiring that several individuals, both staff and volunteers, are involved throughout the cash disbursements process and by requiring receipts for all reimbursements and documentation for all expenditures.

(amended 1/20)

Section 4-7

Bank Reconciliations

1. Bank statements are to be printed upon notification from the bank that the e-statements have been posted and given to the Bookkeeper to reconcile the bank accounts using the accounting software. All accounts should be reconciled no later than the end of the month following the statement closing date. In the event it is not possible for the Bookkeeper to reconcile the bank statements in this period of time the Executive Assistant, or other individual without check signing rights at the CEO's direction, should complete the reconciliation.
2. When reconciling the bank accounts, the following items should be included in the procedures:
 - a. A comparison of dates and amounts of daily deposits as shown on the bank statements with the account register.
 - b. A comparison of inter-organization bank transfers to be certain that both sides of the transactions have been recorded on the books.
 - c. A comparison of canceled checks with the account register as to check number, payee and amount.
 - d. An examination of canceled checks for authorized signatures, irregular endorsements, and alterations.
 - e. A review and proper defacement of voided checks.
 - f. Investigation and possible write off of checks which have been outstanding for more than three months. Checks still outstanding after nine months will be automatically written off.
3. Within forty-five (45) days of completion of the bank reconciliation, the completed bank reconciliation will be reviewed first by the CEO, then by the Treasurer and initialed and dated by each reviewer. The review shall include verifying the cleared balance, two signatures on

the check copies, and a random selection of cleared checks matching the print out from the accounting software.

4. **RISK REDUCTION:** This section of the policies seeks to minimize risk by requiring that several individuals, both staff and volunteers, are involved in the reconciliation review process.

(amended 1/20)

Section 4-8

Other Reconciliations

1. Within sixty (60) days of the end of the month, the CEO and Treasurer should review the balance sheet accounts as of the last day of the month being reviewed such as the cash accounts, accounts receivable, accounts payable and deferred revenue in comparison with the bank reconciliations, schedules of accounts receivable and deferred revenue and the aging of accounts payable to support the balances shown on the balance sheet. The Treasurer shall review supporting documentation for six (6) random entries of their choice from the general ledger for that month.
2. **Assets** - These accounts will include cash, petty cash, prepaid items, property, equipment and fixtures, security deposits, and intangible assets.
 - a. **Cash** - The balances in cash accounts should agree with the balances shown on the bank reconciliations for each month.
 - b. **Petty Cash** - The balance in this account should always equal the maximum amount of all petty cash funds. The current amount equals \$200.00 at each office.
 - c. **Prepaid Items** - The amounts in these accounts should equal advance payments paid to vendors at the end of the accounting period.
 - d. **Property, Equipment & Fixtures** - The amounts in this account should equal the totals generated from the audited depreciation schedules. When additional purchases are made during the year, the balances in the accounts may be updated accordingly.
 - e. **Security Deposits** - The balance in this account should equal amounts paid in escrow to landlords and lessors and should not change frequently, but should be updated as applicable.
 - f. **Inventory** – The balance in this account should equal the amount calculated on the monthly physical count done on the last business day of each month by two staff members other than the Bookkeeper or Executive Assistant.
 - g. **Reserve Funds** – The balance in these accounts should be adjusted for monies expended and/or received during the course of the month.
3. **Liabilities** - These accounts are described as accounts payable, payroll tax liabilities, loans and mortgages payable, and amounts due to others.
 - a. **Accounts Payable** - The balance in this account should equal amounts owed to vendors at the end of the accounting period and the aging report.
 - b. **Payroll Tax Liabilities** - The amounts in these accounts should equal amounts withheld from employee paychecks as well as the employer's portion of the expense for the period that has not been remitted to the government authorities.
 - c. **Due to Others** - If there are any amounts owed to others at the end of the period they should be recorded and the correct balance maintained in the general ledger accounts.

4. RISK REDUCTION: This section of the policies seeks to minimize risk by requiring that several individuals, both staff and volunteers, are involved in a monthly review of the balance sheet and general ledger accounts.
(amended 1/20)

Section 4-9

Petty Cash Fund

1. There shall be a petty cash fund at each office that shall not exceed \$200.00. Unless otherwise authorized by the CEO, the fund shall only be used for making change for cash payments.
2. At the main office, the Bookkeeper is the custodian of the petty cash fund. At the branch office, the Branch Office Administrator is the custodian of the petty cash fund.
3. Whenever the petty cash fund is being accessed, a second staff person should always be present. Unless at the branch office, where there may only be one staff person.
4. A single disbursement from petty cash shall never exceed fifty dollars \$50.00.
5. The petty cash fund shall be operated on an impress basis. This means that when it is time to replenish the petty cash fund, the Bookkeeper shall total out the expenses made and identify those expenses by general ledger account number. The check issued to bring the funds back up to \$200.00 should break down the various expense accounts being charged and the amount charged to each.
6. The recipient of petty cash funds must return a receipt for funds utilized along with any unutilized funds. All receipts should remain in the locked petty cash bag until it is time to replenish the fund.
7. The petty cash bag is to be secured at all times when not disbursing or replenishing the fund. At closing the petty cash bag is to be kept in the locked fireproof cabinet.
8. At least once quarterly, the CEO shall conduct a “surprise” review of the fund (applies to all office locations) and shall assign two individuals other than the Bookkeeper to conduct the review. The two individuals shall count the total monies on hand and the total amount of receipts, if any, in the petty cash. The two amounts should equal exactly \$200.00. Any discrepancies should be discussed and resolved immediately and then a secondary count shall be performed by the CEO with the two individuals who conducted the original count present. (amended 04/18)
9. It is a policy of SOMLS not to cash checks of any kind through the petty cash fund.
10. Staff may use the office postage for personal mail, provided it does not exceed \$5.00 total at a given time and money to cover the cost of the postage is placed in the container by the postage scale. The Bookkeeper shall deposit any funds from the postage container on at least a quarterly basis and shall credit the deposit to postage expense.

11. **RISK REDUCTION:** This section of the policies seeks to minimize risk by limiting how the petty cash fund may be utilized, by placing a fairly low cap on the amount of the fund, and by incorporating a quarterly “surprise” review.
(amended 1/20)

Section 4-10

Purchases

1. When the normal cash disbursement procedure of invoice, etc., is not appropriate, a check request with explanatory information (i.e. – approved by the Board of Directors, deposit on future purchase/service, etc.) should be completed and approved.
2. Approved check requests should be sent to the Bookkeeper for payment.
3. Only the CEO, Technology Officer, Executive Assistant, and Branch Office Administrator(s) carry personalized corporate credit cards. The purchase of airline tickets and other authorized business expenditures may be made by other employees or board members using the corporate credit card, provided it has been authorized by the CEO. In every case of credit card usage, the individual charging an SOMLS account will be held personally responsible in the event that the charge is deemed personal or unauthorized.
4. Authorized uses of the credit card include, but are not limited to:
 - a. Airline tickets and/or other transportation costs for properly authorized business trips.
 - b. Lodging and meal charges that do not exceed the authorized reimbursement rate for persons traveling on official SOMLS business.
 - c. Properly authorized expenditures for which a credit card is the only allowed method of payment (such as purchasing supplies via the internet).
 - d. Properly authorized entertainment at a rate which is consistent with the employee’s level of responsibility within, or on behalf of, SOMLS and within the limits of the approved budget.
5. Unauthorized use of the credit card includes:
 - a. Personal or non-business expenditures of any kind.
 - b. Expenditures which have not been properly authorized.
 - c. Meals, entertainment, gifts or other expenditures which are prohibited by:
 - i. SOMLS budget and/or policies
 - ii. Federal, state, or local laws or regulations
6. Every instance of credit card or other purchase use must be documented with travel authorizations, receipts, individuals paid, nature of business, etc. before the expense will be considered authorized and approved.
 - a. Lodging - provide an itemized receipt from the hotel detailing every charge and the name of the person(s) for whom lodging was provided.
 - b. Meals/Entertainment - Provide a receipt showing separately the cost for food/beverage and gratuities, and including the names of every person for whom food or beverage was provided and the specific business purpose which was furthered by the expenditure. For example, “Luncheon Meeting with John Smith and Jane Doe to finalize the speakers and program for the Broker Forum.”
 - c. Other Expenditures - A receipt from the vendor detailing every individual good or service purchased (including class of service for commercial transportation)

accompanied by an explanation of the specific business purpose which was furthered by each expenditure.

7. When entering the credit card statement into the accounting system for payment, the Bookkeeper shall list the vendor and item purchased or purpose, if known. The reconciled credit card statement shall be reviewed and approved by both the CEO and Executive Assistant and then additionally reviewed by one of the signatories on the checking account, prior to the credit card account payment being made.
8. CAPITAL EXPENDITURES: For all major expenditures (over \$2,000.00) in which a service will be performed, i.e. – painting the building, three bids must be obtained before a purchasing decision is made. For major expenditures (over \$2,000.00) of products such as computer equipment, furniture, etc., due diligence must be made to obtain the most reasonable price possible. Documentation of bids or pricing research must be kept for a period of eighteen (18) months after service is completed or product is obtained. The bid or price quote from the company or individual used should be attached to the check stub and kept in the vendor files.
9. RISK REDUCTION: This section of the policies seeks to minimize risk by requiring that all purchases must be authorized and documented and several individuals, both staff and volunteers, are involved in the review and approval process of the expenditures.

(amended 1/20)

Section 4-11

Inventory

1. On the last business day of each month, the CEO shall have two Support Staff members, perform an inventory count of all items for sale to the members. This count shall include contacting the branch office(s) to get a count of any items on hand at that location.
2. The count shall be reviewed by the CEO prior to being given to the Bookkeeper.
3. The Bookkeeper shall make the appropriate journal entries to reconcile the inventory count to the general ledger.
4. RISK REDUCTION: This section of the policies seeks to minimize risk by requiring that multiple individuals are involved in the inventory process.

(amended 1/20)

Section 4-12

Fixed Asset Management

1. A permanent property log or database is to be maintained by the Executive Assistant for all fixed assets purchased by SOMLS. This log shall be reviewed on at least an annual basis by the CEO and the Treasurer.
2. The log should contain the following information:
 - a. year purchased
 - b. description of item purchased
 - c. cost or fair market value
 - d. donor or funding source, if applicable
 - e. identification/serial number (if appropriate)
 - f. depreciation period

3. In conjunction with filing the SOMLS personal property tax return, the Executive Assistant shall perform a physical inspection and inventory of all SOMLS fixed assets at the main office and the Branch Office Administrator(s) shall perform one at the branch office(s). These inventories shall be reconciled to the log. The reconciliations shall be reviewed by the CEO and the Treasurer. Any changes shall be noted both on the tax return and provided to the accountant to update the depreciation schedule. Any changes to the log that cannot be accounted for with documentation shall be investigated by the Executive Assistant and reviewed by the CEO and Treasurer.
4. The Executive Assistant should be informed of any material changes in the status of property and equipment. This should include changes in location, purchase of, sale of, scrapping of and/or obsolescence of items and any purchase or sale of real estate.
5. For the purpose of the depreciation schedule, all capital items which have a cost greater than \$1,000.00 will be logged as a new asset (if applicable), capitalized and depreciated, unless otherwise recommended by the CPA.
6. For the purpose of the personal property tax return, all items which have a cost greater than \$500.00 will be logged as a new asset.
7. RISK REDUCTION: This section of the policies seeks to minimize risk by establishing a process by which assets are monitored both in-house and by an outside CPA on at least an annual basis.
(amended 1/20)

Section 4-13

Payroll

1. PERSONNEL FILES: The CEO is charged with the responsibility of maintaining personnel files on staff persons. All personnel records are to be kept locked in a file cabinet. Access to these files other than by the CEO, the attorney, or the auditor must be requested in writing to the CEO. Each personnel file should contain the following information, at a minimum.
 - a. Employment application or resume
 - b. Date of employment
 - c. Position, pay rates and changes therein
 - d. Authorization of payroll deductions
 - e. W-4 Form, withholding authorization
 - f. I-9 Immigration Form
 - g. Performance reviews
 - h. Termination data, when applicable
2. Timesheets are to be prepared by all staff persons and submitted every other Monday for the preceding two weeks. Timesheets should be completed in ink and correction fluid/tape may never be used in preparing timesheets. If an error needs to be corrected, a line should be drawn through the item and the corrected information recorded, and initialed by the person who made the correction.
3. Timesheets are to be signed and dated by the staff person and submitted to the CEO, or the Executive Assistant in the absence of the CEO, who will verify the hours worked against his/her record. The CEO will then process the time and report the information to the payroll service. The information reported should include:

- a. hours worked
 - b. changes in pay rates or employment status
 - c. vacation, sick or personal hours used
4. The CEO shall review the payroll summary page of the payroll service report for inappropriate payees or unusual hours.
5. Paychecks, or paystubs if direct deposit, shall be available to the employees every other Thursday, after the end of the pay period according to a prearranged schedule.
6. As an employee benefit, SOMLS offers direct deposit through the employee's own financial institution on the payday. In this instance, on the payday, the employee will receive a record of what was deposited and a payroll summary showing taxes withheld, etc., rather than an actual check.
7. RISK REDUCTION: This section of the policies seeks to minimize risk by utilizing an outside payroll service.
(amended 4/18)

Section 4-14

Financial Reporting

1. The Executive Assistant, with the assistance of the CEO, shall prepare a set of monthly financial reports for the Board of Directors. The reports shall include: a balance sheet; a budget-to-actual income and expense statement with a monthly comparison to the same time period the prior year, a year-to-date compilation with a comparison to the same time period the prior year and a comparison to the annual budget; a cash in/cash out report; a cash on hand report; and a variance report.
2. A certified public accountant(s) of the Board of Directors choosing will prepare a review report at fiscal year-end, the annual income tax returns, and an annual special procedure audit of the internal controls. These reports will be distributed to the Board of Directors at the meeting following receipt of the reports from the CPA.
3. A full audit of the books may be ordered at any time at the discretion of the Board of Directors. Unless determined otherwise by the Board of Directors, a full audit will be done when a change of personnel occurs in the CEO position for the year in which the change occurred.
(amended 1/20)

Section 4-15

Fiscal Policy Statements

1. All cash accounts owned by SOMLS will be held in financial institutions which are federally insured and have received a favorable CRA (Community Reinvestment Act) rating.
2. All capital expenditures which exceed \$1,000.00 will be capitalized on the books and records, unless advised otherwise by the CPA, and depreciated per the depreciation scheduled maintained by the CPA.
3. Employee paychecks and/or personal checks will not be cashed through the petty cash fund.
4. No salary advances will be allowed.

5. No travel cash advances will be made except under special conditions and where pre-approved by the Board of Directors. Reimbursements will be paid upon full expense reporting using the official form within the normal disbursement schedule.
6. It is the policy of SOMLS to reimburse out-of-pocket expenses only when supporting documentation has been presented for approved costs incurred and submitted within the required timeframe.
7. It is the policy of SOMLS to establish pay rates which equal or surpass the required minimum wage.
8. It is the policy of SOMLS to maintain a minimum of fifty percent (50%) of the operating budget between its operating and savings bank accounts at all times. In the event that balances fall below that amount the President and Treasurer should be notified immediately.
9. All funds received by SOMLS for a specific project will be segregated into separate project accounts in the general ledger to avoid any possibility of commingling project monies with general operating funds. A full computerized ledger accounting system will be maintained.
10. Bank statements will be reconciled monthly in order to account for any outstanding or lost checks.
11. Expense reports will be maintained which will disclose the nature of expenses, and the dates incurred.
12. Files will be maintained for bank accounts and vendors. Files will be kept separately for each fiscal year.
13. The services of a Certified Public Accountant will be engaged to prepare a fiscal year-end review report, tax returns, and an internal controls special review.
14. Correction fluid/tape should never be used in preparing timesheets or any accounting documents.
15. No interest will be paid on any deposits held by SOMLS for users or tenants.
16. It is the policy of SOMLS that blank checks will not be presented for signature and checks made payable to "cash" will only be for the purpose of replenishing the petty cash fund.
(amended 1/20)

SECTION 5

RECORD RETENTION POLICY

SOMLS retains corporate records per the schedule below. Records will be maintained in hard copy format and are required to be duplicated in digital format for all items that are to be kept permanently (non-permanent records are optional at staff's discretion to be duplicated in digital format). The hard copy records will be stored at the SOMLS office and digital records shall be kept on the main server at the SOMLS office and at the approved off-site backup location(s). For

non-permanent records, hard copies will be shredded at the conclusion of the required time period and digital copies will be deleted from the main server and all back-up servers.

ACCOUNTING & TAX RECORDS

YEARS

ACCOUNTANT & TAXES

Audit Reports	Permanent
Annual Review	Permanent
Depreciation Schedule	Permanent
Income Tax Returns – Federal	Permanent
Income Tax Returns – State	Permanent
Quarterly Compilations	Permanent

INCOME

Accounts Receivable	7
Cash Receipts & Deposit Records	7
Deposit Slips	7
Sales Records	7

ACCOUNTING & TAX RECORDS CONT.

YEARS

EXPENSES

Accounts Payable	7
Check Stubs (routine matters)	7
Check Stubs (special - loan repayments, property purchases, etc.)	Permanent
Employee Expense Reports	7
Fixed Asset Acquisition Invoices	7 (after disposal)
Insurance Policies	3 (after expiration)
Payroll Records	7
Purchase Invoices	7

FINANCIAL STATEMENTS

Annual & Monthly Financial Statements (in-house)	7
Bank Statements & Reconciliations	7
Budgets	2
Deeds and Closing Papers	Permanent
General Ledgers	Permanent
Inventory Counts	7
Investments	7 (after disposal)
Mortgages, Loans, & Leases	7 (after pay off)

CORPORATE RECORDS**YEARS**

Articles of Incorporation and Amendments	Permanent
Board of Directors Meeting Minutes	Permanent
Bylaws and Amendments	Permanent
Copyrights, Patents, Trademarks, etc.	Permanent
Corporate Filings	Permanent
Policies and Procedures	Permanent
Property Damage Records	7
Property Records (including appraisals, blueprints, deeds, easements, etc.)	Permanent
Rules and Regulations	Permanent
Service Mark License Agreements	Permanent
Territorial Jurisdiction	Permanent

EMPLOYMENT RECORDS**YEARS**

Contracts	7 (after expiration)
Disability and Sick Benefits	7
Employee Benefit Plan Documents	Duration of Plan
Medical Records (relating to occupational injuries)	10 (after employment ends)
Personnel Records	7 (after employment ends)
Withholding Tax Statements	7

INSURANCE RECORDS**YEARS**

Accident Reports	6 (after settled)
Claims	10 (after settled)
Fire Inspection Reports	6 (after settled)
Group Disability Records	8
Policies	3 (after expired)
Safety Reports	8

LEGAL DOCUMENTS**YEARS**

Contracts	7 (after expired)
Licenses	1 (after expired)

USER RECORDS

YEARS

User Files for Users in good standing	2 (after termination)
User Files for Users with outstanding obligations	7 (after termination)

(amended 10/13)

SECTION 6 CONDUCT POLICIES

Section 6-1

Code of Conduct

SOMLS maintains a Code of Conduct for Officers, Directors, committee members and Staff. The purpose of this Code is to protect the interests of Southern Oregon Multiple Listing Service, Inc. and/or its subsidiaries (collectively, the “Organization”) from harmful conduct by an Officer, Director, committee member, or Staff. This Code is intended to supplement, but not replace, any applicable state or federal law applicable to corporations.

The Board of Directors will annually sign a confirmation that they have read and will comply with the Code. Committee and work group members will sign a confirmation that they have read and will comply with the Code at the direction of the President subject to the nature of their scope of work. The SOMLS Code of Conduct is attached as Exhibit “A”. Staff’s compliance with the Code is included in the separate SOMLS Employee Policy Manual.

(amended 1/20)

Section 6-2

Conflict of Interest

1. PURPOSE: The purpose of this Conflict of Interest Policy is to protect the interests of the Organization in connection with any transaction or arrangement that might benefit the private interests of any volunteer. For the purposes of these policies, a “volunteer” is defined as an Officer, Director or committee member (includes standing committees, work groups and task forces).
2. DUTIES:
 - a. Every volunteer must act with loyalty to the Organization, meaning that no volunteer may use their position to personally benefit, financially or otherwise. No volunteer may personally take advantage of a business opportunity that is offered to the Organization unless the Board of Directors first determines (after full disclosure and an informed evaluation) not to pursue that opportunity.
 - b. A volunteer should avoid both actual conflicts and potential conflicts of interest. Every volunteer shall:
 - i. Disclose all actual and potential conflicts as set out below in part 3; and
 - ii. Recuse themselves from voting on any matter in which they have a potential or actual conflict of interest, and upon determination by the Chair of the body before whom the matter is pending, may be excused when any such vote is taken.

3. CONFLICTS:

- a. A volunteer has or may have a conflict of interest under this Policy if, with respect to a transaction or arrangement pending before the Organization, they, individually or as a shareholder or member of a corporation, partnership, limited liability company or similar association, or any of their family members:
 - i. Receives or reasonably stands to receive compensation or some other financial benefit, as a direct or indirect result of the transaction or arrangement;
 - ii. Has or anticipates having a compensation arrangement with any entity or individual that either: (a) sells goods or services to, or purchases services from the Organization; or (b) competes with the Organization in the provision of goods or services to its membership;
 - iii. Has or anticipates having any ownership interest, investment interest or serves or anticipates serving as a director, officer or employee of any entity that either: (a) sells goods or services to or purchases services from the Organization; or (b) competes with the Organization in the provision of goods or services to its membership; or
 - iv. Has accepted any gift, entertainment or other favor where such acceptance could reasonably create the appearance of influence on the volunteer (other than gifts of nominal value, which are clearly tokens of respect or appreciation and are unrelated to any business or financial transaction pending or reasonably anticipated to be pending before the Organization).
- b. The following matters shall not be deemed an actual or potential conflict of interest:
 - i. The volunteer owns securities of a publicly traded company with which the Organization has a transaction or arrangement, if such securities are less than 5% of the outstanding securities of the publicly traded company.
 - ii. Serving in any official capacity as an employee, officer, director or committee member (ex officio or otherwise) for the Oregon Association of REALTORS® or the National Association of REALTORS®.
 - iii. Any matters involving an individual who is a volunteer on the Effective Date of this Policy that have been previously disclosed to and consented to by the SOMLS Board of Directors.
 - iv. Any matters arising after a volunteer ceases serving in their official capacity as a volunteer.
 - v. Any matters acted or voted upon by the volunteer which may benefit them solely by reason of their being a member of the Organization (such as an increase in membership services or a reduction in dues).
 - vi. Any matters that result in benefits accruing to a volunteer that would not have been foreseeable by an ordinary Realtor® through the exercise of reasonable care and diligence.
 - vii. Any matters deemed by the SOMLS Board of Directors to not constitute a conflict of interest, following reasonable review and evaluation.

4. DISCLOSURE AND EVALUATION: Upon election or appointment, volunteers shall promptly disclose to the SOMLS Board of Directors any actual or potential conflict of interest. Such disclosure shall be directly to the SOMLS Board of Directors and shall include all material facts of every actual or potential conflict of interest that exist or may thereafter arise while they are a volunteer. Thereupon, the Board of Directors shall evaluate the matter and, within a reasonable time thereafter, decide upon the appropriate course of action, including but not limited to the conclusion that: (a) the disclosed matter does not constitute a conflict of interest; or (b) the conflict may be waived with or without certain conditions.

5. **ENFORCEMENT:** If the Board of Directors has reasonable cause to believe that a volunteer has failed to comply with this Policy, the President may counsel the volunteer regarding such failure and, if the issues is not resolved to the Board's satisfaction, may consider additional corrective action as appropriate. In the event the volunteer to be counseled is the President, the Immediate Past President will speak to the President.

Section 6-3

Confidentiality

Officers, Directors, and committee members shall be aware of the confidential nature of proprietary information concerning the affairs of the Organization ("Confidential Information"), and shall agree that the Confidential Information: (a) will be kept confidential, (b) will be used only for purposes of performing duties to the Organization, and (c) without limiting the foregoing, will not be disclosed by such person, except as required to perform such duties or with the prior written consent of the Organization.

All of the foregoing obligations and restrictions do not apply to that part of the Confidential Information that a person demonstrates was or becomes generally available to the public other than as a result of disclosure by such person or by a source known by the person to be bound by a confidentiality agreement with or other obligation of secrecy to the Organization. It is understood that a person shall not be prevented hereby from complying with any applicable public disclosure requirements imposed by law or regulation; provided that any person who believes such disclosure is necessary to comply with such laws or regulations shall first notify the Organization in advance of any disclosure of Confidential Information and such person shall cooperate with the Organization's reasonable efforts to obtain a protective order or other similar protection of the Confidential Information.

Section 6-4

Whistle Blower

SOMLS is responsible for the stewardship of user and employee contributions and resources. In fulfilling that responsibility, SOMLS is committed to compliance with all laws and regulations to which it is subject. In addition to complying with the law, SOMLS is committed to the ethical and fair treatment of its volunteers and employees. This Policy provides an avenue for volunteers, without concern that they will be subject to retaliation or reprisal, to raise concerns regarding financial wrongdoing which may include, but is not limited to:

- Questionable accounting practices;
- Fraud or deliberate errors in financial statements or recordkeeping;
- Deficiencies in accounting controls;
- Misrepresentations to the Board of Directors regarding the financial condition of SOMLS; and
- Intentional or unintentional violations of laws or regulations.

If any volunteer reports, in good faith, what the volunteer believes or knows to be a violation of the law and/or financial wrongdoing to SOMLS, it is SOMLS's policy that there will be no retaliation taken against the volunteer. Any volunteer will be subject to discipline up to, and including, dismissal from the volunteer position if they, against this policy, retaliate against someone who has in good faith reported their concern. In turn, allegations made in bad faith, if proven to be unsubstantiated and made maliciously, recklessly or with the knowledge that the allegations were false, will be viewed as a serious offense and may result in discipline, up to and including dismissal from the volunteer position.

Any report of a known or suspected violation of the law and/or financial wrongdoing should be reported to the CEO and/or the President for investigation and appropriate action. In the event the charge is against the CEO, the report of a known or suspected violation of the law and/or financial wrongdoing should be reported to the President or Immediate Past President for appropriate action. To the extent possible, reports made under this policy will be kept confidential consistent with the need to conduct an adequate investigation. The whistle blowing procedure is intended to be used for serious issues and, as such, volunteers are reminded of the importance of keeping financial matters confidential.
(amended 1/20)

Section 6-5 Harassment

1. Harassment is illegal conduct and is contrary to the policy of SOMLS. This includes harassment of or by a member of the Board of Directors, a Committee, Work Group, or Task Force member (collectively hereinafter in this policy "member"), or an employee (including independent contractors for SOMLS).
2. It is contrary to the policy of SOMLS for an employee or member to retaliate against any member or employee who files a charge of harassment. All possible steps will be taken to eliminate the possibility of retaliation resulting from the filing of a complaint.
3. In the event a complaint of harassment is found to be totally and completely without basis, appropriate disciplinary measures may be taken against the individual who brought the complaint. While this is in no way intended to discourage someone who believes they have been the victim of harassment from bringing a complaint, SOMLS recognizes that a charge of harassment can cause serious damage to the personal reputation and professional career of the accused.
4. DEFINITION: For the purpose of this policy, harassment is defined as any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment.
5. COMPLAINT PROCEDURE:
 - a. Any member or employee who believes that he/she has suffered harassment by any other member or employee must bring the problem to the attention of the President, the President Elect, or the CEO, whoever the party is most comfortable bringing the complaint to. The complaint does not have to be in writing; however, it is helpful if details of dates, times, places and witnesses, if any, to the harassment alleged can be provided.
 - b. All complaints will be investigated promptly and with strictest confidentiality by an investigatory team comprised of the President, President Elect, and one (1) member of the Board of Directors selected by the highest ranking officer not named in the complaint after consultation with legal counsel for SOMLS. If the complaint involves the President or President Elect they shall be replaced on the investigatory team by the immediate Past President or, alternatively, by another member of the Board of Directors selected by the highest ranking officer not named in the complaint.

- c. Both the complainant and the accused will be provided a full opportunity to present their cases. Witnesses interviewed will be provided only such information as is necessary to elicit from them their observations and other relevant information.
- d. Disciplinary action against any member found to have harassed another may consist of any sanction authorized in the *National Association of REALTORS® Code of Ethics and Arbitration Manual*, such as verbal or written warning, probation, suspension or expulsion depending on the gravity of the incident. Prior incidents of similar behavior shall be taken into consideration when determining the appropriate disciplinary action. Such decision shall be made by the investigatory team.
- e. Disciplinary action against an employee shall be determined by the CEO and legal counsel in accordance with state laws, unless the CEO is the subject of the discipline, in which case action will be determined by the SOMLS President and legal counsel.
- f. Clear, strong, and convincing shall be the standard of proof by which alleged allegations of harassment are determined. Clear, strong, and convincing shall be defined as that measure or degree of proof which will produce a firm belief as to the validity of the allegations sought to be established.

(amended 4/18)

SECTION 7 BOARD OF DIRECTORS

Section 7-1

Purpose

The Board of Directors is the policy-making body of the Southern Oregon Multiple Listing Service and is responsible for directing the activities of the Corporation. Regular meetings of the Board of Directors are held at a time and place determined by the Board of Directors.

(adopted 5/09)

Section 7-2

Board Meetings

Users are welcome to address the Board of Directors during the designated time at the beginning of a meeting, but will then be excused. Only those who are bound by fiduciary duty to SOMLS may stay for the remainder of the meeting. Anything brought into a Board of Directors meeting is considered a corporate document, including electronic devices. While not prohibited, Board members will be reminded at the opening of each meeting that electronic devices are supboenable and Board members' use of them during a meeting is at their own risk.

(adopted 8/16)

Section 7-3

President

The President shall:

1. Serve as the Chief Elected Officer of the Corporation. The President will preside at all meetings of the general membership and the Board of Directors.
2. Serve as Chair of the Board of Directors and keep them informed of the condition and operation of the Corporation.
3. Represent the Corporation in relations with the public, governmental entities, the members, all other REALTOR® Associations, allied organizations, and the media.

4. In cooperation with the RVAR President, direct the work of the CEO as necessary to achieve the strategic goals and policies of the Corporation.
5. In coordination with the RVAR President, conduct the annual written performance evaluation of the CEO no later than the end of October of each year based on contract performance measurements and strategic planning priorities set the prior year.
6. In cooperation with the SOMLS President Elect, set and discuss expectations and priorities based on the strategic plan for the CEO for the following year no later than the end of November.
7. Direct the activities of the Board of Directors in accordance with their position descriptions.
8. Ensure that the policies and programs, which further the goals and objectives of the Corporation, are planned, implemented, and evaluated.
9. Appoint, with Board of Directors' ratification, Advisory Directors for the Board and task forces and work groups as needed throughout the Board year.
10. Attend industry pertinent conferences and events as outlined in the annual budget.
11. Assist the President Elect in an orderly transition into the Presidency.
12. Have signatory authority on Corporation accounts.
13. Complete such financial duties as outlined in Section 3-2 of these policies.
14. Serve on as an Ex-Officio member of the RVAR Board of Directors and the report the activities of SOMLS to the RVAR Board of Directors.
15. Complete such special responsibilities as may be delegated by the Board of Directors during the course of the board year.
(amended 1/20)

Section 7-4

President Elect

The President Elect shall:

1. Assist the President and plan for the following year. The President Elect of the Board is second in command behind the President and shall succeed to the Presidency.
2. Preside at all meetings of the corporation and the Board of Directors when the President is unable to attend.
3. Serve on the SOMLS Board of Directors and attend all SOMLS Board of Directors meetings.
4. In cooperation with the SOMLS President, set and discuss expectations and priorities based on the strategic plan for the CEO for the following year no later than the end of November.
5. Plan programs and activities appropriate for the upcoming year.

6. Recommend the upcoming Advisory Directors to the Board of Directors.
7. Plan and execute training for incoming new Directors.
8. Have signatory authority on Corporation accounts.
9. Complete such financial duties as outlined in Section 3-2 of these policies.
10. Represent SOMLS at other associations or organizations as directed by the President.
11. Attend industry pertinent conferences and events as outlined in the annual budget.
12. Give input to the President for the annual performance evaluation of the CEO.
13. Complete such special responsibilities as may be delegated by the President and/or the Board of Directors during the course of the board year.
(amended 1/20)

Section 7-5

Vice President

The Vice President shall:

1. In the absence of the President and the President-Elect, perform all the duties of the President.
2. Serve on the SOMLS Board of Directors and attend all SOMLS Board of Directors meetings.
3. Represent SOMLS at other associations or organizations as directed by the President.
4. Complete such special responsibilities as may be delegated by the President and/or the Board of Directors during the course of the board year.

Section 7-6

Treasurer

The Treasurer shall:

1. Work in conjunction with Staff to ensure the financial policies and procedures are followed and that current financial practices are in the best interest of the SOMLS Participants and Subscribers.
2. Serve on the SOMLS Board of Directors and attend all SOMLS Board of Directors meetings.
3. Review monthly financial reports.
4. Review annual budget proposal for presentation to the Board of Directors.
5. Complete such financial duties as outlined in Section 3-2 of these policies.
6. Assist in training the incoming Treasurer for a smooth transition of duties.

7. Complete such special responsibilities as may be delegated by the President and/or the Board of Directors during the course of the board year.
(amended 1/20)

Section 7-7

Directors

Directors shall:

1. Attend all SOMLS Board of Directors meetings.
2. Read packets and stay fully informed of all Corporation and industry related issues.
3. Participate fully in Board of Directors meetings and other SOMLS meetings.
4. Participate fully in activities and events for both SOMLS and RVAR.
5. Complete such financial duties as outlined in Section 3-2 of these policies.
6. Complete such special responsibilities as may be delegated by the President during the course of the board year.

(adopted 5/9)

Section 7-8

Immediate Past President

The Immediate Past President shall:

1. Assist the President and act in an advisory capacity.
2. Serve as an active member of the Board with full voting rights for one year following presidency.
3. Attend SOMLS Board meetings.
4. Have signatory authority on SOMLS accounts.
5. Complete such financial duties as outlined in Section 3-2 of these policies.
6. Give input to the President for the annual performance evaluation of the CEO.
7. Complete such special responsibilities as may be delegated by the President and/or the Board of Directors during the course of the board year.

(amended 1/20)

Section 7-9

Advisory Directors

Advisory Directors are appointed by the President and ratified by the SOMLS Board of Directors. The purpose of the Advisory Director position is to allow those members who have expressed interest in leadership involvement to serve a one-year term on the Board of Directors and learn more about the organization and volunteer leadership. An Advisory Director **does not** have voting rights or the right to propose or second a motion, nor do they attend Executive Sessions of the Board of Directors, but they are expected to utilize their year to learn, give feedback on

items being considered by the Board, and assist with informing and engaging the members about Association actions and activities. Advisory Directors shall:

1. Attend and actively participate in SOMLS Board meetings and have full discussion rights.
2. Read packets and stay fully informed of all Board related issues.
3. Stay current on industry related issues.
4. Be a part of the Enforcement Process.
5. Complete such special responsibilities as may be delegated by the President and/or the Board of Directors during the course of the board year.

(amended 1/20)

SECTION 8 COMMITTEES, TASK FORCES, AND WORK GROUPS

Section 8-1

Authority

Unless specified otherwise in these policies, the President has the authority to appoint any task forces or work groups necessary to complete specific projects that accomplish the goals set forth by the Board of Directors, without ratification by the Board of Directors.

(amended 8/16)

Section 8-2

Criteria

The appointment by the President and, if necessary, ratification by the Board of Directors shall include the names of those serving on the task force or work group, a statement of purpose, specific goals, and timeframes for completion.

(adopted 5/09)

Section 8-3

General Responsibilities

1. Committee, task force, and work group reports and recommendations shall be made directly to the Board of Directors on an as-needed basis or when requested by the Board of Directors.
2. Any committee, task force, or work group member attending a state or national meeting on behalf of SOMLS must provide an oral or written report to the Board of Directors at the first directors meeting following the event. Any reimbursement due to the attendee will not be issued until the report is received.
3. For each committee, task force, or work group listed throughout Section 7 of these Policies and Procedures, in the event an individual who is to serve on the committee, task force, or work group by policy is either unavailable or unwilling to serve, the President shall appoint a replacement.
4. Meetings shall be held at an SOMLS office, unless touring a venue for a future class or event.
5. No alcohol shall be served or consumed at committee, work group, or task force meetings.

6. In conformance with Oregon Liquor Control Commission rules, no alcohol will be served at any SOMLS event or other meeting unless it is done via a mobile bartender, who charges for the alcohol separately from the cost of entry to the event. Additionally, no alcohol will be auctioned, silent or live, at an SOMLS event.

Section 8-4

Nominating Committee

1. The composition, timeframe, and procedures of the Nominating Committee shall be as outlined in the SOMLS Bylaws, Article 6, Section D.
2. **NOMINEES:**
The nominees ratified for the slate of SOMLS Officers and Directors and agreeing to serve are expected to communicate in person with users about why the nominee would like to serve on the Board of Directors. To meet this expectation, nominees shall coordinate with the CEO, or a staff designee, to schedule appearances at meetings such as: the Medford Tour Meeting, the Ashland Tour Meeting, an SOMLS Board of Directors meeting, a Board of Directors meeting of the shareholder(s), the Annual Meeting, and other such meetings as may be scheduled during the time period between the slate being announced and the election. Nominees will be given not more than five (5) minutes each at these meetings to address the users. In the event the election is to be held electronically, nominees will provide a brief written statement about why they would like to serve on the Board of Directors.

(amended 8/16)

SECTION 9 PRIVACY

SOMLS recognizes the importance of protecting the personal information Participants and Subscribers provide. Therefore, SOMLS maintains the following Privacy Policy for mailing lists, websites controlled and/or owned by SOMLS, email distribution lists, and all other forms of advertising or communications utilizing user records and information.

1. SOMLS gathers the following types of information needed to process transactions, fulfill requests, and maintain user records:
 - a. Contact information provided by the user (for example - personal and business addresses, phone and fax numbers, e-mail addresses, firm affiliations and titles).
 - b. Tracking information which is automatically recognized by the web server each time an SOMLS site is visited or the user has communicated with SOMLS via email (for example - domain name, email address, and pages visited); and
 - c. Information volunteered via applications or surveys (for example - education, designations, specialties, affiliations with other real estate organizations and general demographic data).
2. This information is used to:
 - a. Improve and customize the content and layout of websites and other communication tools.
 - b. Notify users of updates, relevant products and services, and upcoming events and programs.
 - c. Compile specialty directories.
 - d. Track usage of websites and specific services.

- e. Assist the national and state REALTOR® associations and affiliated Institutes, Societies and Councils in tracking users and for their use for purposes similar to those listed above.
3. SOMLS does not share, sell, or trade email address lists to any third party, except as noted in the following section. SOMLS may use an email address to send user related information. SOMLS may make available to its users, through a roster on its website, access to another user's email address.
 4. Forms of contact information, including email address, may be listed on the rosters available on SOMLS's website or in hardcopy form at the SOMLS office. SOMLS will not share, sell or otherwise provide this contact information about its users to any third party, except for:
 - a. The national or state REALTOR® associations and affiliated Institutes, Societies, and Councils.
 - b. Vendors with whom SOMLS has contracted to provide a specific service to the members.
 - c. Affiliate members of the shareholder.
 - d. When required by law or valid legal process, or to protect the personal safety of its users or the public.
 5. Credit information that users and credit authorizers provide when payments are made by credit card, debit card, or electronic check for products, dues, or other services will only be used to process the transactions requested. This information will be provided to and maintained by reputable credit reporting databases, but will never be sold, shared or provided to other third parties.
 6. SOMLS maintains security procedures and standards believed to be as safe as today's technology permits. These procedures are tested and modified regularly as new technologies become feasible.
 7. SOMLS allows its users the option of opting-out of receiving online notifications regarding services, products, and programs by removing the user's email address from the system.
 8. A user may edit their personal contact information through the SOMLS system or by contacting the SOMLS office.

(amended 8/16)

SOMLS POLICIES AND PROCEDURES

EXHIBIT A: CODE OF CONDUCT

The Officers, Directors, and committee members of SOMLS acknowledge and accept the scope and extent of their duties as Officers, Directors, and committee members of SOMLS. They have a responsibility to carry out their duties in an honest and businesslike manner and within the scope of their authority, as set forth in the Bylaws and governance policies. As Officers, Directors, and committee members, they must act within the bounds of the authority conferred upon them and with the duty to make and enact informed decisions and policies in the best interests of the Southern Oregon Multiple Listing Service and its subsidiaries (collectively the "Organization"). The Board of Directors has adopted the following Code of Conduct and Officers, Directors, and committee members are expected to adhere to the standards of loyalty, good faith, and the avoidance of conflict of interest that follow and as outlined in Section 5 of the Policies and Procedures of the Southern Oregon Multiple Listing Service. An individual's failure to comply with this Code may result in removal from the respective position.

Officers, Directors, and committee members shall:

- Act in the best interests of, and fulfill their obligations to the Organization;
- Act honestly, fairly, ethically and with integrity;
- Conduct themselves in a professional, courteous and respectful manner;
- Comply with all applicable laws, rules and regulations;
- Act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgment to be subordinated;
- Act in a manner to enhance and maintain the reputation of the Organization;
- Maintain confidentiality of information as outlined in Section 5-3 of the SOMLS Policies and Procedures until such time as it is decided by the Board of Directors that a "public" statement will be made or position taken or when authorized or legally required to disclose such information;
- Not use confidential information acquired in the course of their service as Directors for their personal advantage;
- Disclose potential conflicts of interest that they may have regarding any matters that may come before the Board or Committee and abstain from discussion and voting on any matter in which the individual has, or may have, a conflict of interest pursuant to the Conflict of Interest Policy (Section 5-2 of the SOMLS Policies and Procedures) and any future modifications which may be adopted by the Board in the future; and
- Make available and share information as may be appropriate to ensure proper conduct and sound operation of the Organization and the SOMLS Board of Directors.

Any person who has concerns regarding compliance with this Code should raise those concerns with the President, who will determine what action shall be taken to deal with the concern. In the extremely unlikely event that a waiver of this Code for any signer would be in the best interest of the Organization, it must be approved by the SOMLS Board of Directors.

By my signature below, I _____ agree to abide by this Code of Conduct during my tenure as an SOMLS Officer or Director.

Signature

Date