

## **Fiscal Integrity Policies and Procedures**

The Midwestern Ohio Association of REALTORS® utilizes the following policy and generally accepted operating procedures to ensure the fiscal integrity of its financial operations.

### **Accounting:**

Midwestern Ohio REALTORS shall employ the services of a qualified bookkeeper to provide the following services:

- reconcile monthly bank statements (checking, savings and credit cards)
- assist with QuickBooks questions
- assist Association Executive (AE) with annual budget preparation

The AE shall be responsible for:

- Approving biweekly payroll
- Updating employee payroll information
- Review all checks written and online vendor payments with the Treasurer, President or President Elect or designated representative monthly
- Filing Unclaimed Funds report by November 1 annually
- Complying with all Bureau of Worker's Comp regulations and reporting
- Paying bi-annual sales tax to State of Ohio

Midwestern Ohio Association REALTORS® shall hire a qualified company to process bi-weekly payroll; file quarterly returns, payroll taxes, workers compensation and Ohio/Federal Unemployment returns and payments.

Midwestern Ohio Association of REALTORS® shall hire a qualified tax preparer to file the annual 990 and 990T tax returns.

Midwestern Ohio Association of REALTORS® shall maintain an operating expense checking account, RPAC expense account, a savings account to be used for future building maintenance and an investment account for long term reserves.

Midwestern Ohio Association of REALTORS® will hold a corporate credit card for the Association for travel expenses and any other expenses. AE will hold the card and must have receipts to prove all charges. Credit card balances will be paid off monthly.

The Midwestern Ohio Association of REALTORS® shall accept payments by credit card. Credit card information shall not be stored and will be destroyed once processed. The Association will follow compliance procedures set forth by the credit card processing vendor.

**Annual Review/Audit:** Each year, an independent accounting firm inspects the books to ensure that staff and Bookkeeping firm are reporting financial information accurately and following proper accounting procedures. The report is presented to the full board, who shall determine what steps, if any, should be taken to remedy any items identified in the report.

The Midwestern Ohio Association of REALTORS® rotates annually between an annual review and a full audit every third year. This rotation is in line with the National Association of REALTORS® Core Standards, which requires each local association annually submit a report from a CPA for either an accountant's review or an audit opinion.

**Budgeting:** Operating financial decisions are driven by the annual budget, which is prepared in the following manner:

- AE to draft preliminary budget including income/expense. WRIST dividend should not be included in Ordinary Income.
- Income numbers are based on a cash basis
- AE meet with Executive Committee (President, President-elect and Treasurer) to review draft
- Executive Committee recommends a proposed budget to the Board of Directors and will decide on any salary adjustments/bonuses for staff that should be included.
- The Board of Director reviews and approves the budget.

Based on the approved budget, the AE oversees the day-to-day execution of the budget. As a general rule, the annual budgeting process provides the best time for changes in expenditures. If significant additional expenditures arise during the course of the year that cannot be deferred, The AE will bring the expenditures to the Board of Directors for approval of those unbudgeted items.

**Cash Management and Investments:** The AE shall maintain the operating fund according to the annual cash flow forecast in the budget. Should the need arise to move money to move dollars from account to account; the AE shall obtain approval from the Board President to initiate the transfer.

At the end of each fiscal year, any net income shall be allocated as follows: 45% to long term investment account, 30% to future building maintenance account and 25% to be used for approved travel expenses in the following year.

Midwestern Ohio Association of REALTORS® engages the services of Ameriprise Financial Wealth Advisors to serve as professional investment manager. The association will take a conservative approach to its long-term investment's funds. No more than 30% shall be invested in equities. The investment manager shall review the portfolio with the Board of Directors once a year (usually in Mar/Apr). Financial statements and investment account statements shall be reported to and reviewed by the Board of Directors on a monthly basis.

**Confidentiality and Conflict of Interest:** From time to time, Officers and Directors may have access to confidential information belonging to the Midwestern Ohio Association of REALTORS®. This information is confidential until it comes into the public domain by some lawful manner. It shall be considered a violation to Midwestern Ohio Association of REALTORS® policy to inappropriately disclose or use any proprietary or confidential information belonging to the Association or third parties.

This obligation of non-disclosure applies during and after one's employment or service as an Officer or Director. Persons who disregard this policy and release any confidential or proprietary information without prior authorization will be subject to disciplinary action.

A member of any of Midwestern Ohio Association of REALTORS® decision making bodies will be considered to have a conflict of interest whenever that member:

1. Is a principal, partner or corporate officer of a business providing products or services to Midwestern Ohio Association of REALTORS® or in a business being considered as a provider of products or services Business); or

2. Holds a seat on the Board of Directors of the Business unless the person's only relationship to the Business is service on such Board of Directors as Midwestern Ohio Association of REALTORS® representative; or
3. Holds an ownership interest\* of more than 1 percent of the Business.

Members with a conflict of interest must immediately disclose their interest at the outset of any discussion by a decision-making body pertaining to the Business or any of its products or services. Such members may not participate in the discussion relating to that Business other than to respond to questions asked of them by other members of the body. Furthermore, no member with a conflict of interest may vote on any matter in which the member has a conflict of interest, including votes to block or alter the actions of the body in order to benefit the Business in which they have an interest.

**Dues** (national/state/local): In accordance with Midwestern Ohio Association of REALTORS® bylaws, state and national dues are payable annually on January 1. Local dues are payable annually on July 1.

There shall be a \$50 late fee for any dues received after the designated due date. State and National dues are nonrefundable. Dues are nonrefundable.

**Financial Reporting:** The AE will prepare and provide the monthly financial report to the Board of Directors for their review to identify trends and variances in the annual budget and investment account. The monthly review is intended to instill confidence that the budget is being properly monitored and executed. Included in the monthly financial report to the Board of Directors are:

- Year-to-Date Net Operating Income
- Profit & Loss Statement by Budgeted Line Item

**Membership:** A new member of Midwestern Ohio Association of REALTORS® shall pay a \$200 Initiation Fee at the time of application. This is a one-time fee for MOAR members. If a member leaves the Association and re-applies for membership, a \$50 Re-Instatement Fee will be assessed.

**Payments and Reimbursements:** The following procedures are intended to protect against payments being made without authority and/or disregard for the budget:

- In addition to the AE, the Officers are signatories for the Midwestern Ohio Association of REALTORS® operating account
- All checks written to pay invoices require the signature of the AE and one other Officer.
- Reimbursement paid to any person authorized to conduct business on behalf of Midwestern Ohio Association of REALTORS® are paid upon presentation of itemized receipts.
- Reimbursements made to the AE, Board President, President-elect and Ohio REALTORS® Voting Directors are outlined in Exhibit A of this Policy.

**Reserves:** Midwestern Ohio Association of REALTORS® shall maintain a minimum of reserves for six (6) to twelve (12) months of the total budgeted expenses.

**Returned Checks:** If a check is returned for insufficient funds, the member will be charged \$25. Said Check will be re-deposited one (1) time. Should a check be returned for insufficient funds a second time, the member will be charged an additional \$25 penalty and required to remit any outstanding monies in cash.

Approved by Midwestern Ohio Association of REALTORS® Board of Directors 1-3-2019

**Reviewed and Approved by Midwestern Ohio REALTORS Board of Directors 1-9-2020**

Membership paragraph addition 4-2-20

**Reviewed and Approved by Midwestern Ohio Association of REALTORS® Board of Directors 2-2-2023**

Exhibit A updated 2-1-23

## **Exhibit A – Responsibilities and Reimbursable Expenses: Board of Directors President, President-elect and Association Executive**

*Revised 2/1/2023*

### **President:**

1. Attend **MOAR Board of Director Meetings**. The board generally meets 10 times a year (July and December off).

Attend Ohio REALTORS® Winter Conference in January in Columbus. MOAR will reimburse you for the registration fee, one night hotel and parking. Meals for each day up to \$40 a day are also covered. Reimbursement for expenses (along with receipts) should be submitted to AE within 30 days of even on the designated Reimbursement Form.

The Winter Conference is 2 days and the President who is an Ohio REALTOR® Voting Director is required to be there 2 days (1 night) in order to attend the Directors Briefing on Directors Meeting the next day.

2. Attend Ohio REALTOR® **District #5 Meeting held in Dayton or Cincinnati**. This is an afternoon event usually held in late spring.
3. Option to attend **NAR Spring/Legislative Meeting in Washington, D.C.** which is five days long and typically held close to the first week of May. Registration is free to NAR members. MOAR will pay for air travel and transportation to and from airport. MOAR will pay for meals up to \$40/day. MOAR will pay for four nights hotel and all parking. Reimbursement for expenses (along with receipts) should be submitted to AE within 30 days of event on the designated Reimbursement Form.
4. Attend Annual **RPAC Fund Raising activity** held in late-spring or early summer.
5. Attend **Ohio REALTOR® Fall Convention in September**. Location rotates between Columbus, Cleveland and Cincinnati. MOAR will reimburse you for your registration fee, one night hotel and parking. All meals for each day up to \$40 a day are covered. Reimbursement for expenses (along with receipts) should be submitted to AE within 30 days of event on the designated Reimbursement Form.

The Ohio REALTOR® Fall Convention is 3 days but the President who is an Ohio REALTOR® Voting Director is only required to be there 2 days (1 night) in order to attend the Directors Briefing (time to ask any questions on items to be voted on at the Director meeting) and the Directors Meeting the next day.

6. Attend **MOAR Annual Meeting** in October.
7. Attend **MOAR Officer Installation/Christmas Dinner** in December.

### **President-Elect:**

1. Attend **MOAR BOARD of Director Meetings**. The board generally meets 10 times a year (July and December off).
2. Attend **Ohio REALTORS Winter Conference in January in Columbus**. MOAR will

reimburse you for the registration fee, one night hotel and parking. Meals for each day up to \$40 a day are also covered. Reimbursement for expenses (along with receipts) should be submitted to the AE within 30 days of event on the designated Reimbursement Form.

The Winter Conference is 2 days and the President who is an Ohio REALTOR® Voting Director is required to be there 2 day (1 night) in order to attend the Directors Briefing on Monday (time to ask any questions on items to be voted on at Director Meeting and Directors Meeting the next day.

3. Attend **District #5 Meeting** held in Dayton or Cincinnati. This is an afternoon event usually held in late spring.
4. Option to attend **NAR Spring/Legislative Meeting in Washing, D.C.** which is five days long and typically held close to the first week of May. Registration is free to NAR members. MOAR will pay for air travel, and transportation to and from airport. MAOR will pay for meals up to \$40/day. MOAR will pay for four nights hotel and all parking. Reimbursement for expenses (along with receipts) should be submitted to AE within 30 days of even on the designated Reimbursement Form.
5. Attend **Annual RPAC Fund Raising activity** held in late-spring or early summer.
6. **Ohio REALTORS® Leadership Summit in July—Columbus** which is 2 days. Hotel and registration arrangements/payments will be made by EO. All meals included in registration.
7. NAR Leadership Summit in August—Chicago. Sunday through Tuesday (Sunday is travel day). EO will take care of registration and hotel reservations. NAR pays for hotel. PE will make their air travel reservation. MOAR will reimburse air fare, transportation and meals up to \$40 a day.
8. Attend **Ohio Realtors® Fall Convention in September**. Location rotates between Columbus, Cleveland and Cincinnati. MOAR will reimburse you for the registration fee, one night hotel and parking. Meals for each day up to \$40 a day are also covered. Reimbursement for expenses (along with receipts) should be submitted to EO within 30 days of even on the designated Reimbursement Form.
9. Attend **MAOR Annual Meeting** in October.
10. Option to attend **National Association of REALTORS® national convention** which is generally held the first week in November. MOAR will reimburse you for the registration fee, hotel and travel. All means for each day up to \$40 a day are covered. Reimbursement for expenses (along with receipts) should be submitted to EO within 30 days of event on the designated Reimbursement Form.
11. Attend **MOAR Officer Installation/Christmas Dinner** in December.

### **Association Executive:**

1. Attend National Association of REALTORS® **Association Executive Institute** in March.
2. Attend **Ohio REALTORS® Winter Conference in January in Columbus**. MOAR will pay for the registration fee, travel, hotel and parking. Meals for each day up to \$40 a day are covered. Receipts must be accounted for on Midwestern Ohio REALTORS® credit card charges.
3. Attend **Ohio REALTORS® Association Executive Institute** in June. Location rotates

around the state of Ohio. MOAR will pay for the registration fee, travel, hotel and parking. Meal for each day up to \$40 a day are also covered. Receipts must be accounted for on all Midwestern Ohio REALTOS® credit card charges.

4. Option to attend **NAR Spring/Legislative Meeting in Washington, D.C.** which is five days long and typically held close the first week of May. Registration is free to NAR members. MOAR will pay for air travel, transportation to and from airport. MOAR will pay for meals up to \$40/day. MOAR will pay for four nights hotel and all parking. Reimbursement for expenses (along with receipts) should be submitted to AE within 30 days of event on designated Reimbursement Form.
5. **Ohio Realtors® Leadership Summit in July—Columbus.** Hotel and registration are paid by MOAR. All meals included in registration. Receipts must be accounted for on all Midwestern Ohio REALTORS® credit card charges.
6. **NAR Leadership Summit in August -- Chicago.** Sunday through Tuesday (Sunday is travel day). MOAR will pay for registration, air travel, and transportation from airport and meals up to \$40/day. Receipts must be accounted for on all Midwestern Ohio REALTORS® credit card charges.
7. Attend **Ohio REALTORS® Fall Convention in September.** Location rotates between Columbus, Cleveland and Cincinnati. MOAR will pay for the registration fee, travel, hotel and parking. Meals for each day up to \$40 a day are also covered. Receipts must be accounted for on all Midwestern Ohio REALTORS® credit card charges.
8. Attend **National Association of REALTORS® national convention** which is generally held the first week of November. MOAR will pay for the registration fee, air travel, hotel and parking. Meals for each day up to \$40 a day are also covered. Receipts must be accounted for on all Midwestern Ohio REALTORS® credit card charges.

### **Voting Directors for Midwest Ohio Association of Realtors**

1. Attend **Ohio REALTORS® Winter Conference in January in Columbus.** MOAR will reimburse you for the registration fee, one night hotel and parking. Meals for each day up to \$40 a day are also covered. Reimbursement for expenses (along with receipts) should be submitted to AE within 30 days of even on the designated Reimbursement Form. The Winter Conference is 2 days and the Ohio REALTORS® Voting Director is required to be there 2 days (1 night) in order to attend the Directors Briefing on Monday (time to ask question on items to be voted on at Director Meeting) and Directors Meeting the next day.
2. **Attend Ohio REALTORS Fall Convention in September.** Location rotates between Columbus, Cleveland and Cincinnati. MOAR will reimburse you for the registration fee, one night hotel and parking. Meals for each day up to \$40 a day are also covered. Reimbursement for expenses (along with receipts) should be submitted to AE within 30 days of even on the designated Reimbursement Form. The Ohio REALTORS Fall Convention is 3 days but the Ohio REALTORS® Voting Director is only required to be there 2 days (1 night) in order to attend the Directors Briefing (time to ask any question on items to be voted on at meeting) and the Directors Meeting next day.

