

Bullhead City / Mohave Valley Association of REALTORS®

FINANCIAL POLICY

The following are the Financial Policies of the Bullhead City / Mohave Valley Association of REALTORS®, from henceforth known as the Association. As new policies are created, or existing ones are abolished or modified, they will be presented to the Board of Directors for review, approval or disapproval. These policies will then be modified accordingly.

Policy 1 – Financial Responsibilities

- (A)** It is the responsibility of the Executive Officer of the Association to maintain and present to the Board of Directors the monthly financial statements including, but not limited to, the balance sheet, monthly statements of income and expenses, and a budget review report. Furthermore, the Executive Officer of the Association shall maintain and administer the financial and investment program of the Association.
- (B)** The elected Treasurer of the Association shall chair the Finance Committee and propose any new financial policies or recommendations to the Board of Directors.
- (C)** The elected President and President-Elect of the Association shall be members of the Finance Committee.
- (D)** The Board of Directors shall approve or disapprove all policies as recommended by the Finance Committee.
- (E)** The President, Treasurer and President-Elect shall be granted “view only” access to the online banking system of the Association’s bank to provide additional oversight on Association accounts. The Executive Officer may also be granted online banking access with additional capabilities to allow for authorized monthly transfers between accounts. *(Added July 2010)*
- (F)** The Board of Directors may allow the Executive Officer to acquire a credit card in the name of the Association for expenses related to association business, travel and operations. The credit limit of the credit card is not to exceed \$2,500. Under no circumstance are charges other than those specifically attributable to the business of the Association allowed at any time. The account statement affiliated with such card shall be provided to the Treasurer on a monthly basis and to the Finance Committee or Board of Directors upon request. *(Added July 2010)*
- (G)** Under no circumstances is any individual or entity, regardless of the intent or authority of said individual or entity, allowed to acquire a cash withdrawal card or debit card which draws directly from an association bank account. *(Added July 2010)*

Policy 2 – Fiscal Records

Bullhead City / Mohave Valley Association of REALTORS®

- (A) The Fiscal Year of the Association shall be December 1st through November 30th.

Policy 3 – Dues / Applications

- (A) Applications Fees: Each new member of the Association shall be required to pay application and set-up fees to the Association. Upon receipt of all application fees and annual dues, the application will be processed; however the application fee is non-refundable should the application be denied.
- (B) Annual Dues: All dues and assessments as established and amended from time to time by the National Association of REALTORS®, the Arizona Association of REALTORS®, and the Association shall be due in full on or before December 31st of each year for that same fiscal year's dues. If the sum on the statement is not paid by December 31st, a late fee will be applied beginning January 1st. Membership of individuals who have not paid full renewal dues on or before January 31st shall be terminated for non-payment. Cash will not be accepted under any circumstance.
- (C) REALTORS® membership dues shall not be forwarded to AAR or NAR until said dues are actually received. Members are unable to utilize member-only programs and any services developed and provided by AAR or Nar until dues have been received by said organizations.

Policy 4 – Donations and Funding of Projects

- (A) All Solicitation for donations and funding of projects must be approved by the Board of Directors. All requested funds must be accompanied by a written proposal.

Policy 5 – Special Funding Request

- (A) Proposals for additional monies beyond budgeted items shall be submitted to the Executive Officer at least ten (10) calendar days prior to the next Board of Directors meeting.

Policy 6 – Emergency Expenditures Authorizations

- (A) The President and / or Executive Officer shall have the discretion of spending up the Five Hundred Dollars (\$500.00) for non-budgeted emergency purposes. In the event that an emergency expenditure may occur, the President or Executive Officer shall report said expenditure to the Board of Directors.

Policy 7 – Contracts Encumbrances

- (A) The President and / or Executive Officer, with the approval of the Board of Directors, shall be the only individual(s) authorized to enter into contract agreements which incur financial or other liabilities to the Association.

Bullhead City / Mohave Valley Association of REALTORS®

- (B)** The Board of Directors shall receive copies of all contracts a minimum of seven (7) calendar days prior to the next scheduled Board of Directors meeting. All executed contracts shall be maintained in the Association Office.
- (C)** Any contract or purchase shall be executed in accordance to the financial and administrative limitations established in the current Bylaws of the Association.

Policy 8 – Operation & Reserve Funds

- (A)** The Board of Directors Shall be responsible for the administration and maintenance of the Association's finances.
- (B)** All funds not immediately required shall be deposited into interest bearing accounts.
- (C)** All funds shall be deposited into federally insured financial institutions with an office in Arizona. Total deposits with any such institutions, not including Federal government securities, shall not exceed the total amount insured including all interest earned.
- (D)** All sums placed in the reserve funds shall be a continuing item on the balance sheet and shall be so identified.
- (E)** The current President, President-Elect, Treasurer and Executive Officer shall be signatories on all Association accounts. All checks from any Association account exceeding five-hundred (\$500.00) dollars must have two signatures. Signatories are not permitted to sign any check of which they may personally endorse.
- (F)** Cash withdrawal(s) from any Association account in any amount require two signatories.
- (G)** When Association funds located within a single institution reach \$150,000, all monies in excess of \$80,000 shall be moved to an interest bearing account in an alternative financial institution as approved by a simple majority vote of the Board of Directors. *(Amended June 2010)*
- (H) GENERAL CHECKING ACCOUNTS**
 - (i)** At all times there shall be sufficient liquid funds available to cover minimum of three months expenses.
 - (ii)** The general checking account shall be maintained by the Executive Officer, under the supervision of the Treasurer and Finance Committee.
- (I) OPERATING RESERVE FUND**
 - (i)** The reserve shall be maintained at an amount not less than Twenty Thousand Dollars (20,000.00)

Bullhead City / Mohave Valley Association of REALTORS®

- (ii) The Executive Officer, upon approval of the President or Treasurer, is authorized to transfer funds up to \$15,000 per calendar month from operating reserve fund into General Checking Account to cover Association operating expenses. Transfers from the operating reserve funds to the operating account in excess of \$15,000 or for uses other than general operating expenditures shall be discretion of the Board of Directors.

(J) CAPITAL EXPENDITURES RESERV FUND

- (i) The purpose of this reserve is to provide a fund to purchase, repair or for the acquisition of a site and / or building for the Association or other capital expenditure as determined by the Board of Directors.
- (ii) Each annual budget shall allocate not less than one dollar (\$1.00) per member to the capital expenditure reserve fund until such time as the reserve reaches Fifty Thousand Dollars (\$50,000), after which time, the reserve shall be maintained at that level.
- (iii) Money may be withdrawn from this reserve for capital expenditures only upon recommendation by the Finance Committee concurred by three-fourths (3/4) vote of the Board of Directors.
- (iv) Money shall be maintained in certificate(s) of deposits (maximum 6 months at a time per CD) or a Money Market account(s), whichever provides the best interest rate.

(K) LEGAL RESERVE FUNDS

- (i) The main purpose of the fund is to provide a legal defense (i.e. attorney fees, court costs, etc.) should litigation arise involving the Association. No funds may be allocated or utilized to pay, or to be applied towards a judgment rendered against the Association or for the payment of damages or fines.
- (ii) Each annual budget shall allocate not less than One Dollar (\$1.00) per member to the Legal Reserve Fund until such time as the reserve reaches Twenty Thousand Dollars (\$20,000), after which time , the reserve shall be maintained at that level.
- (iii) Money shall be maintained in a certificate(s) of Deposits (maximum 6 months at a time per CD) or a Money Market Account(s), whichever provides the best interest rate.

Policy 9 – Accounts Receivable

Bullhead City / Mohave Valley Association of REALTORS®

- (A)** All account receivable are due and payable thirty (30) days from the date of the invoice. On the 31st day after the date of the invoice, a late fee of 25% will be assessed on the unpaid balance. Invoices unpaid as of sixty (60) days from the invoice may result in membership suspension or termination as stated in the current Association Bylaws.

Policy 10 – Return Check Procedure

- (A)** There shall be a Twenty-Five dollar (\$25.00) charge on all returned checks. Individuals or offices subject to a return check charge shall have fifteen (15) calendar days to remit full payment of original amount returned check charge at which point may only be paid by money order or cashiers check.

Policy 11 – Financial Statements

- (A)** Copies of all financial statements shall be made available to the Directors agenda package at least seven (7) days prior to the next scheduled Directors meeting.
- (B)** Copies of all Financial Statements shall be made available to any REALTOR® Member upon request.