

2012 Chapter Leadership Manual



**COUNCIL OF REAL ESTATE
BROKERAGE MANAGERS**

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Section 1: Chapter Leadership

The strength of any organization rests with those individuals whose actions, decisions and policies most directly influence or are influenced by individual members. The Council firmly believes that the CRB Chapters provide an important link between the individual member and the organization. It is the Chapters that are most closely associated with the members, and through its programs and activities must develop and maintain an interest and desire to participate.

Activity is the strength and measure of the Council. Without an active program involving as many members as possible, no organization can grow, prosper and attain the objectives for which it was formed. One of the greatest opportunities for involving members exists at the CRB Chapter level. Council activities are not intended to replace or compete with local activity. On the contrary, they are designed to complement Chapter activity and to provide models for Chapter programs.

YOUR DUTIES AS PRESIDENT

The Chapter President is the chief executive officer of the Chapter.

STEP 1: Take inventory

Review the past year with the outgoing President and check the following:

1. Review the Chapter's bylaws. Model bylaws can be found under "Chapter Forms and Resources" at www.CRB.com. Make sure yours are current.
2. Confirm the dates for the CRB Council meetings and plan to attend.
3. Send new officers' names and contact information to the Director of Professional Development at Council headquarters.
4. Keep track of records, files, and historical information on the Chapter and forward the information to your Chapter's secretary.
5. Check the financial and membership records of your Chapter. This can be given to the Chapter Treasurer when they are elected.
6. Keep copies of records on Chapter programs and minutes from past meetings for your own reference. You may want to reconstruct a program in the future.
7. Review the Chapter's strategic plan, mission statement, and committee objectives. Have records on current committee members and objectives.
8. Schedule all Chapter meetings and preside at them.
9. Call Council staff with questions.

STEP 2: Define Your Objectives

1. Set Chapter goals. Review your current and proposed programs and strategic plan to develop goals that are measurable and attainable.
2. From the goals, formulate your strategy:
 - a. Which committee will be responsible?
 - b. How will the program be funded?
 - c. When do you expect to reach your objective?
3. Delegate. Success depends on the cooperation of every member, especially your officers and committee chairs. Keep a line of communication open with them and make sure they know exactly what they should be doing.
4. Have each project's committee chair report the group's progress at each meeting.

Get Members Involved at Meetings

It is important that the meetings held by the Chapter are perceived to be of benefit to the member, socially, educationally, or both. Try to avoid having meetings that are strictly business. Incorporate an educational function into each meeting (see Education section) and give the members a chance to network in serving the Chapter, Council or community if at all possible. Make every member feel welcome and recognize members who have gone the extra mile.

If attendance lags, call a few members who did not attend and find out why, then make the necessary changes to attain higher attendance.

Communicate with National Staff

As Chapter President, you are an important link between the Council and your area's members. It is important that a strong line of communication is always open. You can help by following these steps:

1. Send copies of all Council communications you receive to Chapter officers and committee chairs that benefit from the news.
2. Include information from the Council in your Chapter newsletter – Chapter members want to be informed.
3. Place the Council's Director of Professional Development on the Chapter mailing list.

Attend National Meetings

Your attendance at the National meetings is crucial. The Council needs your input. Also, it is a chance to meet other Chapter officers and exchange ideas that you can use to strengthen your Chapter.

Each Chapter is strongly encouraged to provide funding to reimburse a representative from the Chapter to travel to each of the two national meetings. The meetings specifically scheduled for Chapter officers include:

- Midyear Meetings (typically in May of each year in Washington, DC)
- Annual Meetings (typically in November of each year and location rotates)

Other Chapter President Responsibilities

The Chapter President is sent all the correspondence from Council headquarters. It is the President's responsibility to distribute it to the appropriate officers, committee chairs and entire membership when necessary.

1. Represent your Chapter at the two annual meetings of the Council.
2. Attend the Council CRB Chapter Leadership Networking meeting at each annual meeting.
3. At least annually, present a "state of the Chapter" to your peers during the Chapter Forum. This report would normally include summaries of the Chapter's accomplishments to date as well as any goals for the future.
4. Submit the Chapter's Charter Application and Agreement to Council headquarters.
5. Respond promptly to all Council communications, surveys, etc.

Any other responsibilities given to the President should be carefully documented. This practice is a valuable aid to future officers and saves considerable time and confusion. Documentation of these additional responsibilities should be updated continually, changing and adding responsibilities as they are assigned.

CONDUCTING A BUSINESS MEETING

Before the meeting:

1. Develop the agenda based on the set objectives of the Chapter. Make sure each committee is given time to report their progress.
2. Include topics and problems that you want the Chapter to discuss. Have suggestions or solutions jotted down.
3. Send out the agenda in advance. This will let the members know what will be discussed so they can be prepared.
4. Talk over some of the points with the members most concerned with the issue before the meeting. This will give them a chance to think the problem through and present the background material needed for the members to make a sound decision.

During the meeting:

1. Call the meeting to order.
2. Be sure a quorum is present.
3. Distribute the agenda.
4. Keep track of the time and don't allow too much time to be taken by one topic.
5. Follow *Robert's Rules of Order* to keep discussions on track and avoid confusion. If the discussion wanders, bring it back to the agenda at hand or refer this issue to the proper committee. (If no committee exists, appoint a member to research the issue).
6. At the end of the meeting, summarize the results to be sure that nothing has been misunderstood.

After the meeting:

1. Be sure the minutes of the meeting are sent to the members and the Council's Director of Professional Development.
2. If a topic was left unsettled, refer it to the proper committee for further study.

TIPS FOR PRESIDING OVER A MEETING

- Open the meeting on time.
- Announce business to be conducted.
- Recognize members who are entitled to speak; discourage breaking in.
- Restate the issue to be voted on before calling for a vote, and explain the consequences of the vote.
- Put all issues to a fair vote; don't make assumptions about how committee members feel.
- Announce the results of actions taken and explain the follow-through to be taken and by whom.
- Help expedite business. Don't let discussions drift or go on too long.
- Stay with the agenda. Seek the full committee's agreement to change the agenda once it has been announced.
- Close the meeting on time; seek the committee's agreement regarding extending the time if necessary.

PARLIAMENTARY PROCEDURE

A copy of *Basics of Parliamentary Procedure* (based on Robert's Rules of Order Newly Revised) has been included with this Manual. It is important that you familiarize yourself with the contents of this booklet.

- The objectives of parliamentary procedure include expediting business, maintaining order, ensuring justice and equity for all, and accomplishing the objectives for which the group is organized.
- The principles of parliamentary procedure include courtesy and justice to all, rule of the majority while respecting the rights of the minority, partiality to none, protection of the absentee, and taking one item of business at a time.
- Policy items require a motion; information items do not. **Actions that change a policy already in effect or create a new policy require an action motion. Also, if an item being discussed requires appropriating money, an action motion is required.** Information items do not require action motions.

TIPS FOR TAKING MINUTES

Committee chairs should furnish the Secretary with written minutes after each of their meetings. Here are some key rules to taking minutes:

1. The purpose of minutes is not to report what the committee said but what the committee did. The minutes should include:
 - a. The type of meeting, regular or special.
 - b. Title of group meeting.
 - c. Time, date and location of meeting.
 - d. First and last names and status, e.g. Board, Guest, Staff, in attendance.
 - e. All main motions and the name of the members making the motion. Count the votes if a committee member requests that this information be noted in the minutes.
2. Be sure to record motions accurately, and then read for all to hear before a vote is taken.
3. Copies of any written reports referred to in the meeting should be included as an attachment to the minutes.
4. Copies of the minutes should be kept in a safe place. A file cabinet should be kept by the Chapter and contain all Chapter records, bylaws, reports, and minutes. They should be accessible and in usable form for future officers.

SAMPLE AGENDA

**Meeting Agenda of the
CRB Chapter
<Date & Time>
<Location>**

- I. Call to Order (with roll call)
- II. Approval of the Minutes of Previous Meeting
- III. Treasurer's Report
- IV. Committee Reports
 - i. Membership
 - ii. Education
 - iii. Other Committees
- V. Other Business
- VI. New Business
- VII. Closing Statements
- VIII. Adjournment

DEVELOPING A BOARD OF DIRECTORS

The Board of Directors serves as the governing body of the Chapter and should include the President, Chapter officers, immediate Past President, and the chairs of each standing committee in accordance with the individual Chapter's Bylaws. They oversee the management of the Chapter and can serve as the Budget Committee if the Chapter does not have one. The Chapter President serves as the Chair of

the Board of Directors. The success of every Chapter program and activity is the responsibility of the Board of Directors. The Board should be representative of the membership and be available to make decisions when a full membership meeting is not feasible. The Board of Directors should be responsible for assisting in the formation of policy and approving the annual budget. All members should be thoroughly familiar with the Chapter's Bylaws and the Chapter's relationship with the Council.

ACHIEVING OBJECTIVES THROUGH PLANNING

Establishing Goals

The Board of Directors should clearly state Chapter goals, both short term and long range, and make them available to the membership. Each Chapter committee and activity should be established and/or continued on the basis of contribution to these goals.

In order to take pride in accomplishment, evaluate progress and provide accountability, objectives must be measurable. Chapter members deserve to know what direction their leadership is moving and how they can contribute to the achievement of Chapter goals.

Preparation

With few exceptions, Chapter officers serve calendar year terms. In many cases, there is a period of several months between election and installation. Presidents should take advantage of this time to prepare for their term of office. During this time, incoming Chapter Presidents should:

1. Begin to identify what you want to accomplish (i.e. set goals and objectives).
2. Review existing programs and examine how they are meeting the needs of the Chapter members.
3. Tighten and streamline the original tentative objectives to a manageable few. Recognize you can't do it all.
4. Confer with predecessors; discuss mistakes, what they could and could not do.
5. Make sure all Chapter officers have a copy of the current Chapter bylaws and relevant excerpts from this manual.
6. Monitor the transition of the new Chapter secretary and treasurer, if applicable. Make sure that all official documents and Chapter possessions are turned over to the appropriate new officers (i.e. files, financial records, etc.)
7. Prepare a Chapter Operations Calendar and make sure all incoming officers and directors have a copy.
8. Check the calendar carefully for any events that occur during the transition period and confirm that the responsibility for any action that needs to be taken has been clarified.

OFFICER POSITION DESCRIPTIONS

Role of the Chapter Vice President

As provided in most Chapter bylaws, the basic responsibility of the Chapter Vice President (or first vice President, or President-elect) is to perform the duties of the President in their absence. Should the President resign or be unable to complete the term of office, the Vice President will assume that office.

In many Chapters, the Vice President is the next President, thus the term of Vice President should be filled with activity.

Some Chapters may also opt for a First Vice President and a Second Vice President to add another position of responsibility, and as a leadership training opportunity.

In any event, the Chapter vice presidents should be in close touch with all Chapter activities. The President should also rely on these individuals to carry out many of the administrative functions.

To insure that the Vice President's term will be one of both contribution and learning, many Chapters assign specific responsibilities. This could include chairing committees, serving as newsletter editor or serving as an alternate to the meeting of the Council's Chapter Leadership Committee.

President Elect / Vice President

The President Elect or Vice President assists the President in the management and direction of the Chapter. The President should help him/her develop leadership abilities by inviting him/her to planning sessions and explaining the procedures so that s/he will be informed when s/he takes office. Specific duties include:

1. Attending all Chapter meetings.
2. Chairing the Membership Committee (recommended)
3. Handling special assignments or projects as directed by the President. (A good way for the VP to get involved).
4. Assuming the duties of the President in his/her absence.
5. *President Elect position only* – Automatically assuming the position of President at the end of the President's term.

Secretary

The Secretary maintains records of meetings and disseminates information to Chapter members. Specific duties include:

1. Upon taking office, review the Minutes Book and the method of writing minutes. See "Tips to Taking Minutes" in this section.
2. Establish a policy, with the President, of who develops the agendas and when they should be distributed before the meeting. See "Sample Agenda" earlier in this section.
3. Maintain Chapter stationery and letterhead (if needed).
4. Maintain roster of members, including officers, committee chairs, and committee members.
5. Prepare and distribute meeting minutes after each meeting.
6. Conduct election procedures, including sending ballots. See "Election Procedures" in this section.
7. Communicate with the Council by sending copies of mailings and minutes.
8. Establish a policy for distributing press releases. See tips on writing press releases in the "Communications" section.

Treasurer

The Treasurer's specific duties include the following:

1. Upon taking office, review financial records with outgoing Treasurer. Insist that all bills are paid before you take office and review the bookkeeping methods.
2. Prepare an annual budget based upon the estimates of chairs and officers and submit to the Chapter Board or officers for approval. See "Sample Budget" in this section.
3. Monitor the disbursement of funds and their relation to the budget throughout the year and maintain Chapter financial records.
4. Submit a year-end report of incurred expenses to the Board.
5. Mail dues invoices and implement retention program for delinquent dues (if applicable).
6. Request an accounting consultant if you are unfamiliar with bookkeeping procedures.
7. Ensure that the Chapter is properly incorporated as a non-profit association (if applicable.)

INSTALLATION OF CHAPTER OFFICERS

The ceremony should take place during the first Chapter meeting in which the officers will serve or at the end of the last meeting of the outgoing officers. Many are held at the state convention.

Suggested format for installation:

1. Make a few positive comments about the Chapter.
2. Challenge the members to assist the new officers and to serve as future officers.
3. Read the names and positions of outgoing officers and have them stand and ask members to show their appreciation through applause.
4. Read the name and position of each incoming officer. As each person stands, read the duties of the office (listed below) and have each remain standing as the officers are introduced.
5. Read

"Election to a position of leadership in any organization is an honor not to be taken lightly. Your fellow members, in electing you to your respective offices, have expressed confidence in your dedication and ability to promote the welfare and best interests of the CRB Council and the _____ CRB Chapter. As Chapter officers in the _____ CRB Chapter, you will represent to our fellow designees and members the highest standards of our worthy profession."

6. Have the officers stand behind a table.

Ask:

"Do you understand and accept the responsibilities and duties of the offices you are about to undertake and do you pledge to uphold the bylaws of the _____ CRB Chapter?"

They answer: **"I do"**

State:

"You are hereby installed as the officers of the _____ CRB Chapter for 20__."

MANAGING COMMITTEES

Committee Appointments

Evaluating whether a committee is needed must precede committee appointments. What is its purpose? Can an individual perform the function more effectively? If a committee has fulfilled its purpose, it should be dissolved.

During your term as President, you may also appoint special committees or task forces to perform specific functions, study various issues or serve special interests of members.

Regardless of committee size or function, two rules should be followed to obtain desirable and complete results:

1. Instruct the committee as to what they should accomplish. Avoiding the responsibility of giving a charge to committees is a sure way to stifle activity.
2. Clearly specify due dates for programs or final reports and follow up on performance.

The secret of success is found in the functioning of committees. The best way to involve a maximum number of Chapter members is through committee work. If a charge is presented to the committee, take care in making committee appointments. When people are chosen for their ability and interest, strong committees will result.

In Chapters with a small membership, it is practical to consolidate some committees. However, activities of consolidated committees should be reported separately under the designated committee heading.

SELECTION OF CHAIRPERSONS

Basic Function

- Consistent with the Chapter's policy and strategic plan, the committee chair guides the committee in its work as outlined by the scope of work and charge from the President.

Responsibilities

- Develop work plan that will allow the committee to effectively and efficiently discharge its responsibilities for the year.
- Develop agenda and conduct committee meetings.
- Approve reports of committee meetings before their distribution.
- Ensure that the work of the committee is carried out between meetings.
- Approve reports on committee activities, including request to the Budget Committee and Board of Directors for action.
- Report to the committee on decisions of the Board of Directors that affect the committee's work or activities.

- Where appropriate, guide the committee in proposing products and services that will further the goals and objectives of the Council and Chapter.
- Where appropriate, make policy recommendations to the Board of Directors.

Communication Skills

- Demonstrates ability to communicate with committee members, staff and other groups.
- Demonstrates willingness to listen (communication is not solely talking).

Participation

- Demonstrates active participation and interest in the Chapter and Council.
- Commands prestige and respect from within the industry.
- Has knowledge of the subject in which the committee is involved.
- Thinks in terms of the Chapter and Council goals.

Leadership

- Commands attention and inspires others.
- Demonstrates ability to create a positive work atmosphere.
- Controls without dominating.
- Understands how the committee fits into the larger work of the Chapter and Council.

Administrative Skills

- Demonstrates willingness to take the initiative.
- Demonstrates ability and willingness to carry out responsibilities.
- Supports orderly procedures for conducting work.
- Understands the role of Chapter within the Council.

Responsibilities of the Chair

- Attends all the meetings.
- Accepts and supports the committee's charge.
- Plans committee meetings and agenda.
- Exercises leadership.
- Maintains records and relevant information on committee work. The chair must be sufficiently informed to interact knowledgeably with other committee members and staff.
- Move members toward participation and decision-making.
- Evaluates committee efforts and communicates accomplishments to the committee and Chapter leadership.

Helpful Hints to the Chair

- Know the committee's purpose and scope.
- Visit with the previous committee chair. Discuss accomplishments and unfinished items from the previous year.
- Sit and discuss this year's goals with your vice chair, the President and staff (if applicable).

During a Chair's Year in Office

- Review each meeting agenda together with previous meeting minutes before each meeting.
- Set agenda priorities and establish possible methods for accomplishing each agenda item. (i.e. task force, work group, break-out session, or deferral until next meeting.)
- Review your committee's budget prior to each meeting. Note those agenda items and/or solutions that will have possible budget implications.
- Set up a time with President to review your Committee Highlights prior to the Board of Directors meeting.
- Remember, you are part of a team that includes your vice chair. Use their talents, expertise and input.
- Maintain openness and focus without ever giving up control.
- Review the actions/results of your committee meeting with your vice chair as soon as possible after the meeting.
- Remember to communicate – use conference calls, faxing, emailing, etc.
- Identify and train future committee leadership.

SELECTION OF COMMITTEE MEMBERS

The qualifications for committee members are much the same as those for a chairperson with perhaps one additional qualification – works well with others.

In appointing committee members, the President should consult with the appointed chair. This involvement will lend “teamwork” to the committee. Again, committee work is an excellent way to involve Chapter members. It is especially important to involve interested new members. Through committee contributions, Chapter leaders can identify “comers” or “new blood” with future potential for Chapter office.

INSTRUCTION OF COMMITTEES

A successful and responsive Chapter demands active committees. After appointing committee chairs and members, the President should clearly define the duties of each committee and urge committees to begin work immediately. The President should share suggestions received for new projects and/or additional committee activity with the appropriate committee chair.

CHAPTER COMMITTEES

Generally, there are two types of committees, standing and special. Standing committees are on-going committees responsible for continuous programs like membership and education.

Special committees are set up to perform functions that are not part of the regular program and should be dissolved when the project is completed.

To get results:

1. Be sure the committee understands its purpose.
2. Establish clearly who will do what.
3. Always establish a deadline.

Try to keep the committees small. Large committees may be too cumbersome to be effective. To keep them on schedule, give committees certain tasks to be completed for each meeting. Be prepared with new assignments or help if tasks or projects are not completed thoroughly or on time.

STANDING COMMITTEES

The following committees are outlined in the Model Chapter Bylaws as active standing committees:

Budget/Finance Committee

- Monitor and manage Chapter fiscal resources and recommend changes when necessary.
- Review budget requests and adjustments and determine fiscal appropriation based on priorities and fiscal resources available to Chapter.
- Create annual Chapter budget based on current and approved future programs to ensure sound business practices and adherence to budget funding and policy.

Communications Committee

- Develop format and publish Chapter newsletter
- Contact chairs for their input and report Chapter activities.
- Submit newsletter to Secretary for distribution to membership.

Education/Program Committee

- Determine, with the President and Board of Directors, the yearly meeting schedule including dates, times and locations.
- Plan and promote regular Chapter meetings. Arrange speaker and hotel needs.
- Develop educational programs that may work in conjunction with regular Chapter meetings.
- Prepare meeting announcements for the Secretary to distribute.
- Process registrations, forwarding the income to the Treasurer.
- Provide name badges and welcome attendees.

- Personally contact members who have not registered for Chapter functions.
- Organize and plan to license CRB courses.

Membership Committee

- Keep Chapter members informed of Council and Chapter programs and services.
- Check that each Chapter member's Council membership is current and up to date.
- Contact members who have dropped out of the Council and Chapter membership.
- Develop and conduct recruiting programs to increase and maintain membership.
- Personally welcome new members and new Designees.
- Contact participating non-members and encourage them to join.

Public Relations Committee

- Organize promotion of the CRB designation to the trade and public.
- Organize the Chapter booth at the state convention.
- Develop and distribute press releases promoting Chapter activities.

Strategic Planning Committee

- Develop a mission statement and long-range plan for the Chapter.
- Reassess the effectiveness of the plan each year.
- Assign appropriate goals to committees.

CHAPTER ELECTION PROCEDURES

1. Election notices should be sent to all members not less than one month prior to the meeting. The notice should ask members for additional nominees and must indicate where and when the elections will be held. The final slate of officers should then be mailed to the members no later than two weeks prior to the meeting and include a voting form, for those who can't attend the meeting. The Chapters Bylaws will specify minimum criteria for the officer positions **however the Council requires that officers be active Designee members of the CRB Council.** Additional details regarding election procedures will also be provided.
2. A minimum of three Chapter officers must be elected (the officers must be active Designee CRB Council Members): President, Vice President and Secretary/Treasurer. In addition, members can be elected to serve on the Board of Directors as committee chairs.
3. Chapters are required to submit a list of newly elected officers to the Director of Professional Development not later than ten (10) days after the results of the election are known or by December 31st.
4. After the new officers are elected, appointed committee chairs and their committees should start their planning. Many Chapters develop a close relationship with the Local Boards or State Association by working with them to plan programs for Chapter members.

PRESIDING AT CRB CHAPTER MEMBERSHIP MEETINGS

Chapter business should not be transacted at this meeting unless it requires action by the general membership. Most matters brought up from the floor at a Chapter meeting should be referred by the President to the Board immediately and without debate. Following are a few points to aid a Chapter President in presiding over Chapter membership meetings:

1. **Thorough preparation** – An effective President knows exactly what they are going to do and when; handles each situation competently; knows beforehand the details of each announcement or report; and has a complete schedule of the meeting.
2. **General tone of meeting** – The general spirit of a meeting is determined by the manner in which the President presides. The President should maintain a position of dignity and conduct the meeting in a businesslike manner. Create an atmosphere of authority, goodwill, courtesy and fair play. At all times maintain a non-partisan attitude.
3. **Self-effacement** – The President should avoid the appearance of monopolizing the initiative of the Chapter. When the President wants the Chapter to undertake something, it is often desirable to have it emanate from a member. A President's administration is judged by Chapter accomplishment rather than individual prominence.
4. **Promptness** – Announcements should be made as briefly as possible. The rulings of the chair must be prompt and decisive but should be made with tact and full consideration of the members involved.

MEMBERSHIP COMMITTEE

The Chapter may choose to create different committees, however, the Membership Committee is a necessity. Although building and maintaining a Chapter membership may be a challenge, it is essential to sustaining your Chapter. Chapters that have been successful at developing strong membership continually work hard at it. Most of them form a Membership Committee to develop projects and strategies for recruiting and retaining Chapter members.

The Membership Committee should consist of members who are good at identifying people to bring into the CRB Chapter, "selling" the CRB designation and membership in the Council to prospective managers and developing ideas for keeping members active. The chair and vice chair should be chosen from the Chapter leaders.

The Membership Committee could have a variety of responsibilities ranging from recruitment/retention activities to maintenance of the Chapter's roster of active members. Its size and the jobs it decides to take on will vary from Chapter to Chapter depending on the Chapter's size.

First Things First

After the committee is formed, the members should immediately discuss the benefits of belonging to the Chapter and develop a list of reasons why prospects may want to join and why members should maintain their membership. The committee should also review the membership application or develop one that can accompany this list whenever it is distributed. The committee should formulate goals and set a course of action for recruiting and retaining members. Quality services and programs that change to meet member needs and the times are the key to successful member retention and recruitment. If you're not providing new, innovative and quality benefits and services, you can't expect current members to stay and new members to join.

Getting People to Join

A recruitment goal could be to double Chapter membership by the end of the year. An initial step to accomplish this is to develop a list of prospective members to contact. The prospective member list can be composed of new members joining the Council (i.e. new Candidates or Regular Members); students attending Council courses, newly designated Candidates, or REALTOR® members who are not members of the Council. Personal contact is the most influential tool, but is often impossible due to time constraints. Telephone calls, personal letters, leaflets, form letters or booklets can also be effective ways of reaching prospects.

When approaching a prospective member by telephone, the person should always receive something in writing as well. You may want to precede the call with a letter that includes a “Why Should I Join” list and application. State in the letter that you will be following up with a call in a few days. However, you may prefer to send a letter with the list and application after an initial telephone call as reinforcement.

Instead of telling potential members why they should join the Chapter, a more effective method is to show them. Invite prospective members to a Chapter meeting, special event or professional development seminar. The committee should also consider scheduling events specifically designed for recruiting, such as holding a barbeque and picnic and requesting each Chapter member to bring one prospective member. Of course, always have membership information available for the prospects to take home with them and review.

Keeping Members Interested

Adding new members to the Chapter roster should be pursued, but keeping members interested is equally important. The Membership Committee should set concrete plans for member retention. For example, the committee could aim toward having all current members renew their memberships. To accomplish this, the committee should determine the reason members decide to resign and attempt to prevent them. Sometimes members don't see how the Chapter is benefiting them or they become dissatisfied for some reason. Consequently, it is essential to encourage members to voice their displeasure so steps can be taken to resolve the problems. It is a good idea to continually update members on membership benefits through the Chapter newsletter or other informational pieces. This will give you Chapter another opportunity to highlight the benefits of membership.

Remember: A key to keeping members interested is to try to anticipate their needs, now and in the future.

The Council Can Help

To assist the Membership Committee with their efforts, the Council can provide Chapters with labels, membership lists, Council membership brochures, applications etc. (see SAMPLES tab). Council members are a Chapter's primary source for prospective members. Keep in mind that membership in CRB Chapters is not affiliated with membership in the Council and is not mandatory. CRB Chapters are encouraged to personally contact recently dropped or lapsed members and encourage them to continue their membership. If they are not Chapter members, telling them about the benefits of belonging to your Chapter may help recruit them as both Council members and new Chapter members.

Be aware when contacting those who were dropped for non-payment of dues that there is a possibility that their payment to the Council was received between the time the report was generated and when you received it.

Now That They Are Interested

Along with setting goals and planning ways to achieve them, the Membership Committee is responsible for welcoming new members and submitting reports to the Chapter regarding progress in recruiting new members.

Following up after the membership promotion campaign is crucial. When prospects have decided to join, they are curious about two things; that their application has been received and that they were accepted as members. After membership applications are received, someone on the committee should be responsible for responding to the applicants. A congratulatory letter should be sent along with any other information and materials a new member should have. This is the sort of attention that establishes a base for retaining new members and making them feel that their membership is valued.

Another way to recognize new members is to publish their names, titles and addresses in the Chapter's newsletter. Once this is done, other Chapter members can welcome them. Also, recognize new members publicly. Introduce them to other members at the next Chapter meeting or event.

Remember: It is hard work recruiting them so hard work is essential for retaining them.

EDUCATION / PROGRAMS COMMITTEE

The future growth of the Chapter could largely depend upon the kind of programs and educational opportunities arranged by Chapter Presidents and committee chairs. It is extremely important to plan meeting programs of high quality that address "cutting edge" brokerage management issues and trends in a timely manner. As the majority of Council members have only infrequent opportunities to attend the annual meetings, their principal contact and identification with the organization is through Chapter meetings and educational activities at the local level. It is the formal and informal discussions with colleagues at Chapter meetings that many members see as the most important benefit of their membership.

Types of Meetings

Often, the Chapter continues past practices without considering alternatives that may better serve the needs of the membership. On the other hand, "change for the sake of change" also may be counterproductive. What is important is a schedule of activities designed to meet the needs of the membership and achieve Chapter goals. Occasionally, survey your members to obtain feedback on what's important. Several types of meetings can be scheduled to achieve those objectives:

1. **Council Licensing Program** – Courses are licensed to viable sponsoring organization – including CRB Chapters – once they have completed an application / approval processes, and met certain criteria and guidelines. For additional information, visit www.CRB.com and click on the "Education" tab.
2. **Multi-Day Conference** – Usually includes educational sessions scheduled over a two or three-day period, with time set-aside for informal discussions and social events. Features may include a keynote address, concurrent sessions and general sessions, films, group meal functions, inspection tours, business meeting, entertainment and a display/exhibit area.

3. **One-Day Meetings** – Usually includes morning and afternoon educational sessions (concurrent and / or general), luncheon and dinner, with time set aside for informal discussions. Such meetings often begin in mid-morning and conclude in early evening so most participants won't require overnight accommodations. This format is especially appropriate for seminars focusing on one subject. Business meeting and / or social activity may be included.
4. **Half-Day Meetings** – Usually includes a meal, preceded or followed by a technical session or seminar. Chapters covering small geographical areas tend to have more meetings of this type than larger Chapters.
5. **Luncheon / Dinner Meetings** – Most common for metropolitan Chapters. It normally includes a meal and a guest speaker.
6. **Social Event** – This type of gathering allows for informal discussion and socializing and often includes spouses. Examples are golf tournaments, picnics / barbecues, dinner dances, and outings to sporting events.

Types of Sessions

There are many ways of structuring an educational session to facilitate exchange of information:

1. **Forum** – The chairperson takes an active role by introducing and explaining the topic. One or more speakers present certain aspects of the subject and then the audience is brought into the discussion. The objective is enlightenment, not debate.
2. **Round Table** – Participants sit at tables and address each other, with the chairperson serving as moderator. It is their function to keep the discussion going and inject new topics as the need arises. This type of session is limited to small groups.
3. **Symposium** – Requires a discussion leader, principal speaker and two or more persons who have been asked to comment on the speech or paper (supplied to them in advance). This involves a minimum set-up. Often the number of speakers is increased to three, each covering a particular aspect of the subject. After comments and response, the floor is open for discussion and questions. A summary by the discussion leaders ends the meeting.
4. **Panel Discussion** – Actually a single “round table” in the presence of an audience, consisting of five or more participants including the chairperson as moderator. There should be no prepared papers. Participants address each other; but must be audible to everyone else in the room. After the panel presentation, the chairperson may invite questions or comments from the floor for the panel members. The chairperson can generally organize an effective panel presentation by providing each participant with five or six questions to discuss in advance.
5. **Clinic** – A special type of forum in which the formal participants are “doctors” who prescribe remedies for the problems of the audience. All questions come from the floor, so it is essential to insure that good questions will be asked. Several worthwhile questions can be “planted” in the

audience. The chairperson should edit / rephrase questions if necessary and “toss out” irrelevant questions.

6. **Visual Program** – Films, video or Power Point slides. Arrangements for projection equipment must be made in advance, with attention to special licenses or union requirements of the meeting facility. One hour should be considered a maximum length for this type of presentation.
7. **Lecture** – A single speaker, normally considered an “expert,” presents information. Time is usually allotted for questions from the audience.

NOMINATING COMMITTEE

This is an important committee as it is responsible for identifying and recommending members for leadership positions. Normally, the past President will chair this committee. It should be comprised of individuals who are actively involved in Chapter activity, thus acquainted with many members.

In recommending a slate of officers and directors, the committee must consider many factors. One is the composition of the membership – the committee must concern itself with leadership representation by CRB designees and/or candidates. The committee must consider not only the nominees’ present contributions to the Chapter, but their future potential.

To achieve continuity, some Chapters have a “progression through chairs” of officers. The committee must look carefully at these people before recommending successors. If an officer is contributing little or not participating, the committee should not slate the individual again. It is an uncomfortable situation, but the good of the Chapter dictates removal of the individual from the slate of officers. Past committee chairs are a good source to choose from when looking for future officers and directors. Chapter members that always attend Chapter functions and contribute are also good candidates for officer and director positions.

The committee must be thoroughly familiar with the various qualifications for Chapter officer. Chapter bylaws normally specify any restrictions as to type of membership. **The Council does require that Chapter officers be active Designee members of the CRB Council.**

The Nominating Committee should be appointed midyear to begin reviewing potential candidates. At least thirty (30) days prior to the election, a call for nominations should be printed in the Chapter newsletter.

Each Chapter should proceed with the election process as described in its bylaws.

MEMBERSHIP RECORDS

Computerized information on all Council members is available to Chapters. The Council relies on Chapter secretaries to provide current information such as changes of address or title and notices of retirements, deaths, etc.

Chapter Meeting Reports

Chapter meeting reports should include the following:

1. A brief report on the meeting with short summaries on papers presented or topics covered.
2. Some arrangement should be made for pictures at most Chapter meetings. Photographs should be maintained in the Chapter files and a few prints should be sent with Chapter Meeting Reports.
3. The names and titles of distinguished guests and speakers should be included.
4. Information on new officers should be included after meetings at which elections are held.
5. All available information about upcoming meetings should be included i.e. dates and locations.
6. Highlights of actions taken at business meetings such as projects initiated and committees' names.
7. Attendance figures.

MAKING THE FINAL TRANSITION

Completion of a term as Chapter President does not mean an end to responsibility. The Past President can serve an essential advisory capacity and is usually included as a member of the Board of Directors. The Past President has valuable experience to share regarding policies and the Council, knows the details of carrying on various activities and provides the continuity to leadership. Since the Past President normally chairs the Nominating Committee, this individual must be knowledgeable of all Chapter activities in order to identify potential candidates for office.

Some Chapters may wish to consider forming an advisory committee composed of active Chapter Past Presidents. This group could meet on an as needed basis to counsel the Board on sensitive matters. Some Chapters may assign the duty of writing the Chapter goals and objectives to a committee of Past Presidents.

Section 2: Chapter Operations

MODEL CHAPTER BYLAWS

The model Chapter bylaws for CRB Chapters were designed to serve as a guide to use when developing their own bylaws. They cover such areas as Chapter membership, dues and fees, Chapter meetings, Chapter officers, elections, and committees.

They are structured to give Chapters flexibility. It is, however, recommended that a Chapter generally follow the guidelines of the model bylaws closely to eliminate any conflicts.

Chapters should review the model bylaws and compare them to their own bylaws. If a Chapter cannot locate their bylaws, it is recommended that they adopt the model bylaws.

When proposing amendments to existing bylaws, the changes should receive a favorable vote of two-thirds of the Chapter membership present at the meeting at which such amendment is considered and, if so approved, a favorable vote of the Institute member. Then a copy of the old bylaws and proposed amendments (with the changes highlighted on both) must be submitted to Council headquarters and approved by the Institute member – the Chief Executive Officer of the Council of Real Estate Brokerage Managers. This must all take place before the amendments can be adopted. A sample of the Model Chapter Bylaws is located in the Appendix tab.

NEW CHAPTER FORMATION PROCEDURES

New CRB Chapters can be formed for two reasons:

1. There is no existing CRB Chapter in the state and the members within that area desire one.
2. Due to increasing size, geographic location or changing market conditions within the jurisdiction of an existing CRB Chapter, certain members of the Chapter may request that another Chapter be created either partially or completely within the jurisdiction of the existing Chapter. In either case, it is important that the interested parties adhere carefully to the following procedures when considering formation of a new Chapter.

Steps for Chapter Formation in an Area Where No Chapter Exists

When considering the formation of a new Chapter, first contact Council headquarters to apprise them of your intent. You will be sent an Official Charter Application Agreement. You must have twenty (20) or more interested persons to form a local CRB Chapter with a majority being Council members.

After contacting the Council, the interested members should hold an organizational meeting. All Council members within the proposed Chapter jurisdiction should be notified of the meeting well in advance. The Council will provide a list and labels for these individuals, upon request.

The purpose of this meeting is to elect officers and adopt Chapter bylaws. The Chapter bylaws adopted should follow closely the model Chapter bylaws developed by the Council.

Following this first meeting, the Chapter should forward to the Council the names of officers, a copy of the meeting minutes, the bylaws, and the Official Chapter Application and Agreement as approved by the Chapter members. A typed list of all signatures on the Chapter application should accompany the application.

Once all the required information has been submitted, requests for granting of a Chapter charter will be submitted to the Council's Board of Directors for their approval.

Steps for Chapter Formation in an Area Where a Chapter Already Exists

The guidelines for formation of a new Chapter in the jurisdiction of an existing Chapter are more complicated. The existing Chapter must be open to this suggestion since it is necessary for the Chapter to relinquish part of its jurisdiction. Information must be supplied by the applicant group as well as by the existing Chapter.

After notifying the existing Chapter and the Council of their intent, the applicant group should hold an organizational meeting for the purpose of considering the possibility of organizing a new Chapter. The existing Chapter should also be notified in writing of the time and place of the meeting and may authorize the Council to provide the names and labels of its members who have a place of business in the proposed jurisdiction.

Upon receiving approval from the existing Chapter releasing the portion of its jurisdiction that is affected, the following information should be submitted to the Council:

From the applicant group:

1. Minutes from the organizational meeting, including the date and place the meeting was held.
2. The names of those attending the meeting and their Chapter affiliation.
3. The territory of the proposed jurisdiction with an accompanying map that clearly shows the boundaries of the proposed and contiguous Chapters in contrasting colors. (There should be a definite description of the territorial limits of Chapter jurisdiction. This description should be inscribed in detail on a map that has definable zip code boundaries.)
4. A completed Official Charter Application and Agreement.
5. A typed list of all signatures. There must be at least twenty (20) with a majority being Council members.
6. A statement of reasons for the proposed formation.
7. A statement of how the proposed new Chapter would better serve the interests of the membership in the geographic location being considered.
8. A statement of the number and location of the proposed meetings to be held annually.
9. The proposed Chapter name, membership dues, Chapter officers and committee chairs.
10. A copy of the proposed Chapter bylaws.
11. A copy of the Chapter's proposed model strategic plan.

From the existing group:

1. The Chapter must submit to the Council in writing its approval to release a portion of its jurisdiction. The members of the existing Chapter must vote to release that portion of the Chapter's territory at a regular or special meeting as stated in the Chapter bylaws.

2. Minutes from the meeting, including the date and place at which the vote took place.
3. The names of those attending the meeting and their Chapter affiliation.
4. Territory to be released with accompanying map clearly showing jurisdiction of proposed and contiguous Chapters in contrasting colors.
5. Any proposed Chapter name change (if applicable).
6. Any proposed new officers (if applicable).
7. A revised list of at least twenty (20) Chapter members (a majority must be Council members).

After all the required information has been submitted, the request for granting a Chapter Charter, or changes in jurisdiction, will be submitted along with the required documents to Council headquarters for review by the Council's Board of Directors.

INCORPORATION OF A CHAPTER

Who Should Incorporate

It is important to incorporate your Chapter when its activities and financial obligations are substantial. However, it is strongly recommended that all Chapters be incorporated. Incorporation establishes continuity of existence and makes entering into contractual agreements and establishing financial accounts easier. Incorporation will limit any liability to the Chapter officers and members who may otherwise be personally liable for torts and contractual obligations of the Chapter.

Procedures for Incorporation

It is recommended that the Chapter seek the help of legal counsel when it decides to incorporate. Select a lawyer that has experience with tax-exempt corporations that are exempt under Internal Revenue Code 501 (c)(6). The following is an outline of the general procedures for incorporation.

1. Determine the state in which you would like to be incorporated. The home state of the Chapter will most likely be the most appropriate state. Your legal counsel may suggest another state if that would be more beneficial to your Chapter.
2. Once the state has been selected, the next step is to draft the "Articles of Incorporation." The Articles vary from state to state, but they usually include:
 - a. The name(s) of the incorporators who will execute the Articles. The number and qualifications of the incorporators will vary from state to state.
 - b. The name of the corporation.
 - c. The duration of the corporation, which is usually perpetual.
 - d. The principal or registered office and the registered agent of the corporation.
 - e. A statement that the incorporators intend to create the corporation and a statement establishing the corporate purpose. The corporate purpose should be worded in such a way so that the Chapter can meet the requirements for tax-exempt status under the Internal Revenue Code 501 (c)(6). This section requires that the corporation be organized to promote the common business interests of the members and to improve the industry business conditions as a whole, rather than to provide particular services to individual members.
 - f. The names and addresses of the initial Board of Directors. This Board will have the responsibility to meet to initiate the corporate existence and operation. In particular, the initial Board will adopt bylaws, which will govern the corporation.

- g. Your particular state may require further information to be included in the Articles of Incorporation. Your Chapter's attorney can provide advice concerning all other requirements of state corporate tax laws.
3. The Articles of Incorporation should then be filed with the appropriate state office, usually the Secretary of State's Office, along with the necessary filing fee. When approved, the state will issue a Certificate of Incorporation to the Chapter, which usually should be recorded in the county office where the corporation's principal office is located.
4. If the Chapter incorporates in a state other than its home state, the Chapter usually will need to register to conduct business in its home state. Forms are usually available from the Secretary of State's Office and a fee is usually required.

Maintaining Your Chapter's Corporate Status

The Annual Report

Once your Chapter is incorporated the Chapter is usually required to file a brief Annual Report. In some states the Secretary of State will send a form to the registered agent each year, which must be completed and returned with an annual fee. In other states the Chapter will need to request the form.

The Corporate Record Book

The Chapter must keep a Corporate Record Book, which contains:

1. The Articles of Incorporation
2. The Bylaws
3. The Certificate of Incorporation
4. The Minutes of all meetings of the membership and the Board of Directors
5. Any other documents that the state may require

Again, the Chapter should consult legal counsel before undergoing incorporation and for maintaining the appropriate corporate records.

INSURANCE COVERAGE

Professional Liability Insurance Policy

The NATIONAL ASSOCIATION OF REALTORS® Professional Liability Insurance Policy provides professional liability coverage to NAR, its State Associations and Local Boards, and all incorporated and unincorporated Institutes, Societies and Councils and their respective Chapters. Coverage is extended to all Chapters whether or not they are separately incorporated. This applies to CRB and its Chapters.

Since the policy provides coverage for the entire NAR organization, the policy premium is paid out of dues income. This coverage is not automatic but is extended to Chapters as long as their governing documents and operations conform to the Constitution and Bylaws of NAR and the policies adopted, and amended by the Board of Directors of NAR.

There are two primary insuring clauses in the policy. They are:

Clause 1A: Provides coverage for claims arising out of providing professional services to members. Under this clause, both attorneys' fees and liability costs are paid, subject to the policy's limits of liability and deductibles.

Clause 1B: The claims covered under this clause are limited to five areas:

1. Antitrust and restraint of trade
2. Civil rights and fair housing
3. Lockbox claims
4. Sexual harassment claims
5. Claims dealing with wrongful termination

Portions of this coverage may not be significant to your Chapter depending on how it is structured or operated. Also, there are certain conditions, limitations and exclusions that affect your coverage. For example, a claim of theft or fraud by Chapter officers in handling the Chapter's funds is excluded from coverage. Your Chapter should familiarize itself with the policy and the coverage in order to comply with conditions and recognize areas that may require supplemental coverage.

More information regarding the details of this insurance coverage can be obtained from the NAR General Counsel's office.

General Liability and Fidelity Insurance

The insurance coverage provided by NAR does not include general liability or fidelity coverage. General liability coverage is needed for claims of bodily injury, property damage, host liquor law liability, and the like. This coverage is important when the Chapter owns or rents property, such as a Chapter office. Chapters should consider coverage and consult an insurance broker or attorney regarding the extent of coverage needed.

Your Chapter should also consider obtaining fidelity coverage for the Chapter officers and directors. Fidelity insurance covers losses due to the dishonesty of designated persons (usually the officers.) For example, this type of insurance would cover losses in the event there was an embezzlement of Chapter funds.

CHAPTER COMMUNICATIONS

Keeping the Insiders Informed

Another important public relations tool is the Chapter newsletter. It is an excellent way to keep Chapter members informed, especially if the Chapter encompasses a large area.

A newsletter can be as detailed or as simple as you want it to be, and can be in a hard copy or electronic format. The two most important factors when producing a newsletter are to distribute it regularly (monthly or quarterly) and to include up-to-date, relevant information. Not only does a newsletter link Chapter members together, but it can also serve as a designation promotion tool. By including allied professionals and other related groups on your complimentary subscription list, you'll continually expose them to the CRB designation.

A good writer, who is well organized and has an interest in the project, should be selected as the Newsletter Editor. This person will have many duties in order to bring the newsletter to the member's mailboxes. Some of those responsibilities include:

- Preparing the production schedule
- Writing articles
- Editing articles submitted by others
- Securing articles to reprint in the newsletter
- Securing photographs
- Arranging the articles and photographs on the pages
- Coordinating with the printer to have the newsletter printed/copied, or preparing an electronic version. The Council Web site has samples of e-newsletters from Chapters under the "For Chapters" tab
- Developing a mailing list for the newsletter and coordinating the distribution

Chapter Roster

The Chapter Roster is also an excellent promotional tool. Send your Chapter's roster to prospective members, local and state associations, allied professionals, and anyone else who would be interested in the expertise or services that a CRB could offer. Your Chapter should keep on hand a list of members that would be willing to talk to these groups about the benefits of Chapter membership and of earning the CRB designation.

FINANCIAL RESPONSIBILITIES

The financial procedures listed below are required according to the Model Chapter Bylaws, Article XII. Any deviations from the procedures below must be included in the Chapter's Bylaws and approved by the Council through the Bylaw Revision Approval Process (see Chapter Bylaws section).

ARTICLE XII – Financial Responsibility

1. A Budget/Finance Committee shall be appointed by the Chapter President with the President Elect or Vice President serving as the Chair. Membership on this committee shall include at least one Chapter Past-President, one member of the Education Committee, one member of the Membership Committee and the Treasurer.
2. The Chapter Budget for the next fiscal year shall be drafted by the committee and reviewed by the Vice President and Treasurer in August/September of each year. A copy of the proposed budget should be sent to the Chapter members accompanied by proper notification of the meeting in which the budget will be presented and discussed by the chapter members. A copy of the budget, once approved, should be forwarded to the Council.

3. Chapters are required to institute procedures to ensure proper fiscal responsibility. The minimum requirements which shall be implemented are:
 - a. Ensure that checks written are authorized by:
 - i. Two signatures, or
 - ii. FAX approval of checks, or
 - iii. Bonding of the Chapter Treasurer, or
 - iv. Bank restrictions on checks over a certain amount, or
 - v. Such other procedures approved by the Council that will accomplish security over checks written.
 - b. Ensure that bank statement are reconciled promptly by:
 - i. Reconciliation of monthly bank statements by the Treasurer, State Association of REALTORS® administrative staff, or appropriate party. Such reconciliation is to be verified by the Chapter President or other designated individual.
 - ii. Such other procedures approved by the Council that will ensure prompt reconciliation.
 - c. An annual internal audit be conducted by the Chapter Treasurer and/or other appropriate staff or individuals, in addition to one other Chapter Officer and submitted to the Chapter President for responsibility transfer to the incoming Board of Directors. The Audit committee can include anyone except the immediate past president in order to keep the committee independent and impartial. A copy of the audit, once completed, shall be forwarded to the Council.
4. The Chapter is encouraged to provide for the Chapter President to attend the two National Meetings.
5. The Chapter that has obtained tax exempt status is required to submit an Information Tax Return (Form 990) if its gross receipts or assets “normally exceed” \$25,000 in any annual accounting period.
6. The Chapter shall develop an Expense Report that must be used for any budget fund reimbursement.
7. Upon dissolution, if the Chapter is incorporated, the Chapter must wind down its affairs and dissolve in accordance with the laws in the state of incorporation.

MAINTAINING RECORDS

The Chapter Treasurer is responsible for keeping the financial records for the Chapter. In addition to the procedures that follow, there are many software programs that can help you maintain member records and provide income and expense statements. Look for programs that can do the functions that the following manual procedures perform.

Authorization

All check disbursements should have an authorization file. The majority of checks will be in payment of invoices. They must be approved by the Chapter Board of Directors, unless a budget has been established and authority granted to the Treasurer to expend funds within the limits of the budget. It is suggested that it be required to have two signatures on each check. Consider including the Treasurer and the President (or other authorized signature) as authorized parties.

RECONCILING A BANK BALANCE

To reconcile a bank balance, use the following procedure:

1. Review the bank statement and verify all checks with the individual amounts on the statement. Charges that you do not have a canceled check for, usually for bank services, should be recorded on the cash disbursement sheet. Do not close the month's entries until the bank account has been reconciled.
2. Clear the processed checks from the previous month's list, then prepare a current list of the checks still open, including the checks not returned from the month of the statement.
3. Verify that all deposits are recorded on the bank statement.
4. Using the back of the statement, enter the final balance shown, then add any deposits not entered on the statement and deduct the outstanding check total. The resulting figure should agree with the balance shown for the ledger account (cash after the month's receipts and disbursements have been posted.)

PAYMENT OF INVOICES

1. The check number and date should be noted on each invoice as a notation of payment.
2. Invoices should be filed in alphabetical sequence.
3. Each year a new group of files should be started.
4. After the bank reconciliation has been completed, the statement should be wrapped around the canceled checks and stored in monthly sequence.
5. Deposits are recorded on the cash receipts sheets. If receipts are too large to make individual entries on the ledger sheets prepare a supporting detail sheet, numbering in sequence for each year. Enter the totals from the detail sheets on the cash receipts ledger sheet.

MEETING/SPECIAL FUNCTION REPORTING

A substantial portion of Chapter income and expenses are related to Chapter meetings and special functions. All receipts and disbursements for these functions must be recorded in the Chapter books. Never record only the net income.

When advances are given to a local committee or committee chair for budgeted expenses, these should be offset against the income received. Also, if the advances are for a subsequent year, they should not be recorded in expenses for the current year, but held in a separate account as an advance.

GUIDELINES FOR RETENTION OF FINANCIAL RECORDS

Each Chapter needs to retain certain documents representing Chapter finances and program activities. The IRS will ask for these documents in an audit. A list of these documents and the length of time to be kept follows:

- Canceled Checks..... Keep for five years
- Paid Invoices Keep for five years

- Ledgers..... All ledgers should be retained permanently. Only the past and present calendar years' ledgers need be kept in an active file.
- Bank Statements..... Keep for seven years
- Annual Chapter Financial Reports..... Keep one copy of each annual report in permanent Chapter files. Attached to each report should be the Reconciled December 31 bank balance.
- Documentation of Meeting Receipts..... Keep for three years
- All Tax Returns Keep forever
- Book of Minutes Keep forever
- IRS Exemption Letter Keep forever
- Contracts, Leases, etc. Keep ten years

TAX EXEMPT STATUS

Almost all organizations are subject to federal taxation under the Code, whether they are partnerships, corporations, or like some CRB Chapters, unincorporated associations. However, the Code exempts certain types of organizations from the obligation to pay this tax. Section 501(c)(6) of the Code confers tax-exempt status specifically upon “Business leagues, chambers of commerce, (and) real estate boards.”

These regulations provide that a real estate board will qualify for tax-exempt status as long as its purpose is to promote the common business interest of its members by improvement of business conditions in the industry. The organization may not engage in a trade or business ordinarily carried on for profit to any substantial extent (30%). These activities include multiple listing services, income from paid advertisers in a Chapter publication, etc. Note that the activities are not completely prohibited. However, they may not become a primary function (30%) of the organization’s income.

Your Chapter should therefore qualify as a tax-exempt organization under the Code, provided that its stated purpose and operations are consistent with Section 501 (c)(6). As this tax-exempt status only applies to Federal income taxes, the Chapter must also take necessary steps to qualify for exemption from State income taxes in the state that it is organized and operated.

Obtaining Tax Exempt Status

Your Chapter is not automatically exempt from Federal Income Tax. The Chapter must submit a request to the IRS asking to be recognized as a 501 (c)(6) organization. The Chapter must file for this status on an Application for Recognition of Exemption (Internal Revenue Form 1024).

Application for Employer Identification Number

Also, if it has not previously done so, the Chapter must file an Application for Employer Identification Number (Form SS-4). This application is important even if you don’t have any paid employees because this enables the IRS to assign the Chapter an Employer Identification Number that is used when filing quarterly tax payments, annual returns, and is requested by financial institutions in connection with Chapter accounts. Instructions on how to obtain a copy of Form SS-4 are included in the Appendix tab.

Determination Letter

After the IRS has approved your exempt status application, a Determination Letter certifying the Chapter's tax-exempt status is issued. The letter should be permanently retained in a secure place or held by your attorney. As long as the Chapter operates in the manner set forth in the application for exemption you will not need to file again. However, if your Chapter changes its operations, the Chapter must notify the IRS of its purpose, structure and method of operation and the IRS will re-evaluate the Chapter to determine if it should continue to qualify for exempt status.

The Chapter's Obligation to File a Tax Return

Even though an organization is exempt from federal income taxation under the code, the organization must file an information tax return (Form 990) if its gross receipts or assets normally exceed \$25,000 in an annual accounting period. According to the IRS, your gross receipts or assets normally exceed \$25,000 if they exceed an average of \$25,000 per year over the last three years.

If your Chapter is required to file a Form 990, it must be filed on or before the 15th day of the fifth month after the end of the organization's accounting period. Assuming your Chapter's annual accounting period corresponds to the calendar year, a Form 990 would be due on May 15th. You should also be aware that the IRS might impose a penalty for failure to file a Form 990 for each day until the return is filed. Accordingly, it is important that your Chapter file a Form 990 if required to do so.

Your Chapter may wish to file a Form 990 even though its gross receipts or assets do not normally exceed \$25,000. The Code limits the time period within which the IRS may audit a taxpayer's returns to the current tax year and the three immediately preceding years, provided that a tax return has been filed for each of these years. If no return has been filed for a particular year, the IRS may audit that year. The IRS may also assess a penalty if a return should have been filed, without regard to the year in which the omission occurred. Thus, by filing a Form 990 tax return every year, even when not required to do so, the Chapter ensures that IRS will not audit the Chapter for any year earlier than the immediately preceding three years. If your Chapter's gross receipts or assets do not exceed \$25,000 and you elect to file a Form 990, you only need to complete the form through Line F. Instructions on how to obtain a copy of Form 990 are included in the Appendix tab.

For more information, see IRS Publication 557, entitled Tax-Exempt Status for Your Organization.

IRS Forms and Publications are also available from the IRS Web site at www.irs.gov.

AUDITING

The Chapter should be audited annually by a Chapter Audit Committee, or a CPA if the accounts are substantial. This committee also certifies the annual Chapter financial report prepared by the Treasurer.

Audit Committee

The Chapter Audit Committee should examine the books and the Chapter Financial Report at the end of the year. The committee should review all income sources, expenses and assets to verify that all transactions were correct and authorized. The committee should include three Chapter members, a

Past President and two members at large. No officers with the authority to sign checks should be assigned to the committee. The duties of the committee should include the following:

1. Examine all canceled checks, account for numerical sequence and examine endorsements.
2. Review all bank statements and reconciliations.
3. Examine documents that support disbursements for reasonableness and authorization.

Audit Committee Report

The committee should submit a report to the Chapter's Board of Directors outlining their procedures and findings. In their report, the committee should address several basic questions:

1. Are the cash receipts properly accounted for?
2. Are disbursements properly approved and adequately supported by invoices, receipts or other documentation?
3. Are the accounting reports adequate, timely and accurate?
4. Are excess funds deposited in an interest bearing account? If the Chapter is accumulating reserves for a specific reason, the funds should be earning interest, and not lying idle in a checking account. (Depending upon when the Chapter plans to use the funds.)
5. Were the expenses necessary and reasonable and what effort has been made to obtain the best possible prices and keep cost down?
6. Lastly, the committee should verify that the physical inventory of the Chapter is accounted for.

GUIDELINES FOR PRESERVING CHAPTER RECORDS

A Chapter should preserve its records to ensure that they are readily available for succeeding officers and future members. Those future officers will need past records to construct histories and to compare membership, financial, and other data.

The next question is what to keep. The following guidelines outline the various types of material that should comprise a Chapter's archives.

1. Materials relating to the history, activities and accomplishments of the Board of Directors, committees, and the Chapter in general.
2. Bylaws (original set and all amendments); Chapter Charter.
3. Statements of functions or duties of the board, committees and officers.
4. List of officers; members of the board, committee, and recipients of awards and recognitions.
5. Activity reports of Chapter and all component groups.
6. Minutes of meetings.
7. Printed programs, proceedings and meeting "scrapbooks" (with photographs).
8. Correspondence. (Preserve as little miscellaneous correspondence as possible. Most of the relevant content will be included under reports and minutes.)

9. Questionnaires.
10. Forms. (At least one set of blank forms used to solicit information)
11. Treasurer's and audit reports, Chapter ledgers. (More detailed guidelines are provided to Chapter Treasurers regarding cancelled checks, receipts, invoices, etc.)
12. Material of biographical interest, including documented contributions of an individual to the development of a Chapter, committee or to a particular project.

Feel free to discard duplicate material. When both originals and copies are found, only the originals should be kept, after transferring any notations that appear on the copies.

CHAPTER CHARTER RENEWAL

Renewing Your Chapter Charter

Each year the Member Services Committee reviews the activities of all the CRB Chapters and makes official recommendations to the Council's Board of Directors to approve the Chapters. Charter renewal is simply the process involved in allowing a Chapter to continue functioning under its present Charter and operating guidelines.

The main purpose of charter renewal is to ensure that local Chapters are providing programs and services to their members and functioning in a manner consistent with the model Chapter Bylaws and Guidelines. Charter renewal also serves another important function. It affords the Council an opportunity to stay abreast of Chapter activities by requiring Chapters to provide copies of minutes, communication pieces, promotional flyers, etc. Many Chapters have organized and delivered successful programs and made available important services to their local members. These should be shared with all Chapters so that they can provide these programs and services, if appropriate, to their local Chapter members.

Chapters were created by the Council to provide members with services and networking opportunities at the local level. Since Chapters are considered an important member benefit, the Council has the responsibility to monitor Chapter activities to ensure they properly represent the Council's purpose, mission, and needs of its members.

Preparing For Charter Renewal

The Charter renewal process is very simple if the Chapter officers plan for it early in their term. It measures the activity level of a Chapter and demonstrates its commitment to deliver quality services and programs to members.

Required Documentation

A list of activities is provided that must be performed each year in order to maintain a Charter within the CRB Chapter Network. These activities are considered the minimum activity level that a particular Chapter must perform in order to remain active. Your Chapter agreed to this list of activities when it was originally chartered (refer to the Appendix tab for Official Chapter Guidelines).

The first meeting of the newly elected Chapter officers should focus on planning the events and activities for the coming year. Be sure to designate which officers are to be responsible for coordinating

the documents and sending them on to the Director of Professional Development at Council headquarters.

Submitting Your Chapter's Documentation

It is important to remember that Chapters are renewed based on activity occurring the previous year. For example, the Member Services Committee will review documentation and activities of Chapters taking place during the previous calendar year. Thus, incoming officers will be responsible for ensuring their Chapter Charter is renewed based on the activities and documentation submitted by the preceding slate of officers. Keep this in mind when your term as Chapter President or Vice President is fulfilled. Ask yourself... "Have I communicated with the Director of Professional Development at Council headquarters effectively, and did I submit all of the proper documentation in a timely manner to ensure our Chapter Charter is renewed next year?" If the answer is "No", you need to coordinate this task with the incoming slate of officers to be sure all of the requirements and proper documentation have been submitted by the deadline. Above all, be considerate of your successors. Don't "dump" the responsibility for Chapter Charter renewal in their lap once the gavel has been passed. This process can be simple for all involved if anticipated and planned for in advance.

Many Chapter officers ask when they should submit the various documents required for Chapter Charter renewal. It is recommended that the documents be submitted as they occur. This way, the incoming slate of officers won't have to hunt through last year's files for newsletters, minutes, Treasurer reports, etc.

It is recommended that your Chapter place the name and address of the Director of Professional Development at Council headquarters on your mailing list. This will ensure that the Council automatically receives copies of important Chapter communications, reports, and promotional mailings. Key staff from your local and state association should also be added to your Chapter's mailing list to ensure important Chapter communication pieces are distributed in a timely manner.

Documentation Deadlines

The Council's Director of Professional Development will personally contact Chapter Presidents to inform them of missing documentation or information necessary to complete your Chapter's Charter renewal file.

The deadline for Chapter Charter renewal documentation is December 31st of each year.

The ultimate success of your Charter renewal depends upon your Chapter's ability to organize a system that continually informs the Council of your activities and promptly responds to all Council communications.

Helpful Hint

Use this section of the handbook to store Chapter records and other important documentation necessary for Chapter Charter renewal.



Chapter Charter Renewal Guidelines Checklist

- Hold an annual election of officers (follow instructions as state in Article VII of the Model Bylaws).
- Schedule election time frames so that officers take office on January 1st.
- Appoint a Membership Committee and Programs Committee chairperson.
- Provide Council with names of elected officers within thirty (30) days of the election.
- Responsibilities of officers will be consistent with those established by Council's Board of Directors.
- Officers must attend business meetings unless excused.
- Hold at least one (1) general business meeting per year.
- Mail minutes of each meeting to Council headquarters.
- Submit a strategic plan annually to the Council headquarters (if applicable).
- Collect annual membership dues (if applicable).
- If dues are collected, maintain a minimum treasury level equaling 5% of annually collected dues.
- Submit a membership listing/roster to the Council.
- Submit an annual Chapter activity/financial report to the Director of Professional Development at Council headquarters.
- Submit annual IRS tax reporting forms if necessary.
- Require Chapter representation during the New Officer Orientation.
- Schedule at least one education program.
- Publish an annual membership roster.
- Provide newsletter or other forms of communications to the membership at least twice per year.
- Copy Council staff on all Chapter communications (including minutes, newsletters, etc.).
- Respond promptly to all Council communications, surveys directed toward Chapters and their officers.
- Submit press releases to local board and state organization magazines/newsletters on new CRBs, Candidates and new Council programs and products.