

# Governance Guide for Association Executives

The following Governance Guide for Association Executives was developed by the AEC Governance Best Practices Work Group. This guide includes an overview of typical bylaws and example policies for association governance.

This resource can help state associations assist their local associations in crafting bylaws and policies.

Associations are strongly encouraged to work with their leadership and legal counsel in determining the best governance structure for them. Please consult [Good Sense Governance](#) for governance best practices, as well as topical resources aimed to help associations implement sound governance practices and tackle important governance issues.

## BYLAWS

An association's bylaws are a legal document that serves as the rules regulating the corporation. An association's bylaws should contain what is required by state law and NAR policy. Prior to implementing any bylaw, associations should review the provision with legal counsel.

### ✓ State Law

- State law may require provisions on the following:
  - Purpose
  - Directors (*i.e. number, election, term, qualifications and removal*)
  - Meetings (*i.e. how often directors meet, special meetings, notice and quorum*)
  - Officers (*i.e. titles, elections, terms, removal*)
  - Amendments
  - Dissolution

## POLICIES

Association policies supplement the bylaws and are the operational guidelines for an association.

### ✓ NAR Policy

- NAR Policy requires local association bylaws to contain provisions on:
  - Membership
  - Code of Ethics - Professional Standards and Training
  - REALTOR® Trademark
  - State and National Membership
  - Dues

Click [here](#) for NAR's Mandatory Bylaw Provisions, which can appear anywhere in the association bylaws as NAR does not dictate the format or organization of association bylaws.

# Governance Guide for Association Executives

## SAMPLE POLICIES

The following sample policies for local associations were provided by Texas REALTORS® and can be adapted to fit a local association's needs. Sample policies from other REALTOR® associations are welcome and can be submitted to [Andrew Scoulas](#). Again, all policies the association plans to implement are subject to state legal review.

- Anti-Harassment
- Confidentiality
- Fiduciary Duties
- What To Do About Fraud
- Internal Controls
- Record Retention
- Social Media
- Whistleblower

## POLICY OR BYLAW - SUGGESTED GUIDELINES

The following chart was developed by the AEC Governance Best Practices Work Group as a suggested guide for what is typically an association bylaw, and what is typically an association policy.

Business Operations of an Association	Bylaw	Policy
Antitrust Policy		<b>X</b>
Budget Policy		<b>X</b>
Bylaw Amendments	<b>X</b>	
CEO / AE Evaluation		<b>X</b>
Code of Conduct & Harassment Complaint Procedures		<b>X</b>
Code of Ethics: Professional Standards and Training	<b>X</b>	
Confidentiality Policy		<b>X</b>
Conflict of Interest		<b>X</b>

# Governance Guide for Association Executives

<b>Business Operations of an Association <i>continued</i></b>	<b>Bylaw</b>	<b>Policy</b>
Consent to Serve Policy		<b>X</b>
Cyber Security / Data Security and Privacy		<b>X</b>
Directors ( <i>i.e. number, election, term, qualifications and removal</i> )	<b>X</b>	
Dissolution	<b>X</b>	
Dues	<b>X</b>	
Fiduciary Duties		<b>X</b>
Financial Confidentiality Policy		<b>X</b>
Finance Division Principles of Operations		<b>X</b>
Fraud Prevention		<b>X</b>
HR / Employment Practices		<b>X</b>
Internal Controls		<b>X</b>
Investment Policy		<b>X</b>
Meetings ( <i>i.e. frequency, special meetings, notice and quorum</i> )	<b>X</b>	
Membership	<b>X</b>	
Officers ( <i>i.e. titles, elections, terms and removal</i> )	<b>X</b>	
Portability of Membership Records ( <i>Files</i> )		<b>X</b>
Purpose	<b>X</b>	
Privacy Policy		<b>X</b>

# Governance Guide for Association Executives

<b>Business Operations of an Association <i>continued</i></b>	<b>Bylaw</b>	<b>Policy</b>
REALTOR® Trademark	<b>X</b>	
Record Retention		<b>X</b>
Safety		<b>X</b>
Social Media		<b>X</b>
State and National Membership	<b>X</b>	
Succession Planning for Staff and Officers		<b>X</b>
Tax-exempt Status vs. For-profit Status		<b>X</b>
Travel Policy		<b>X</b>
Whistleblower Policy		<b>X</b>

For more information on this resource, contact [Andrew Scoulas](#)