



LOUISIANA REALTORS®

Financial Policies

Draft 09/2008

**Louisiana REALTORS®
Financial Policies**

TABLE OF CONTENTS

Delegation of Financial Authority	Page 3
Conflict of Interest	Page 7
Employment of Certified Public Accountant	Page 8
Budget Policy	Page 9
Employee Compensation and Payroll	Page 10
Capital Assets	Page 11
Reserve Fund Policy	Page 12
Investment Policy	Page 13
Business Related Expense	Page 29

LOUISIANA REALTORS®

Delegation of Financial Authority

Board of Directors:

The Board of Directors of Louisiana REALTORS® has general control and supervision over the affairs of the Association. The annual budget and dues level for the subsequent year shall be approved at the Fall Business Meeting each year. The Secretary-Treasurer shall provide a summary report of all financial activities of Louisiana REALTORS® to the Board of Directors at all regularly scheduled meetings.

President:

The President shall be a signatory on the operating account of Louisiana REALTORS®. In the event any major corporation papers or contracts are to be entered into while the President is in office which require the President's signature rather than that of the Corporate Secretary, the President shall act as signatory.

The President shall have a discretionary fund of \$1,500 per year to be spent on REALTOR® related activities. For reimbursement of these expenses, appropriate receipts shall accompany the Request for Reimbursement form and shall be submitted within 30 days after the expense is incurred.

President-Elect:

The President-Elect shall be a signatory on the operating account of Louisiana REALTORS®. The President-Elect, along with the Secretary-Treasurer, shall negotiate the CEO's employment agreement and compensation package.

Secretary-Treasurer:

The Secretary-Treasurer shall serve as a signatory on the Louisiana REALTORS® operating account. The Secretary-Treasurer, along with the President-Elect, shall negotiate the CEO's employment agreement and compensation package.

Executive Committee:

The Executive Committee, at each meeting, shall review financial statements presented by the Secretary-Treasurer.

The Executive Committee shall have the authority to approve emergency expenditures aggregating no more than \$20,000 with a limit of \$10,000 per item between Board of Director's meetings. The Board of Directors shall review the expenditure and ratify same at the next Board of Director's meeting.

The selection, retention or dismissal of the CEO and termination of the associated employment agreement and compensation package shall be at the sole discretion of the current President, President-Elect, Secretary-Treasurer and Regional Vice Presidents. In the event of the resignation or termination of the current CEO, the Executive Committee shall be empowered to develop criteria, interview and hire the new CEO.

The Executive Committee shall set the annual percentage level for distribution through the defined retirement plan for all eligible employed staff to be incorporated in the annual budget. The Executive Committee shall determine the amount of any bonus awarded provided the Association meets revenue over expenses for the budget year.

The CEO has the authority to divide bonuses to be distributed to eligible employed staff determined by merit. The bonus amount for the CEO should not be included in this authority.

The current President, President-Elect, Secretary-Treasurer and Regional Vice Presidents shall approve any bonus awarded to the CEO.

It shall be the duty of the Executive Committee to review the annual audit report which will be presented by a representative of the contracted CPA firm of Louisiana REALTORS® prior to the Board of Directors meeting held at the annual meeting.

The Executive Committee in conjunction with the CEO shall have criteria for the interview, employment and review procedures for the Certified Public Accounting firm.

Corporate Secretary:

The designated corporate secretary shall be the Secretary-Treasurer.

CEO:

The CEO shall serve as an Ex-Officio member of the Association's Executive Committee & Finance Team. The CEO shall be one of the two required signatories on the Louisiana REALTORS® accounts. The CEO shall provide the Executive Committee with the proper reports for review of the financial status of the Association. The CEO shall prepare the necessary documentation required by the auditor for timely preparation of the Annual Audit.

The CEO shall review, annually, all employed staff and submit budget request for salary expenses to the Executive Committee for incorporation into the Annual Budget.

The CEO shall have the authority to approve emergency expenditures exceeding no more than \$10,000.00. The CEO shall also have the flexibility to authorize additional expenditures up to 10% above a budgeted line item, program package, or approved contractual services. The Finance Team and Executive Committee shall review and ratify same at the next regularly scheduled meeting.

Finance Team:

The Finance Team of Louisiana REALTORS® shall have general control and supervision over all financial affairs of the association.

The Finance Team shall review all revenue and expenses of Louisiana REALTORS® and confirm adherence to financial policies. A report shall be presented by the Secretary/Treasurer to the Executive Committee at all regularly scheduled meetings.

The Finance Team shall serve as liaison along with the CEO and Vice-President of Finance/Operations to the contracted investment firm in the direction of investment activities of Louisiana REALTORS® reserve funds concurrent with the Louisiana REALTORS® investment policy. Investment decisions not specifically covered in this policy may be recommended by the Finance Team within the general context and intent of the financial policy. The Finance Team is authorized to delegate certain responsibilities to professional experts in various fields where the Finance Team has determined that the matters so delegated are within the professional or expert competence of such experts with the final approval of the Executive Committee.

The Finance Team shall develop, review and revise when necessary all Financial Policies & Procedures of Louisiana REALTORS® for approval by the Board of Directors.

The Finance Team shall act as liaison to CEO, Vice-President of Finance/Operations, Division Directors and Staff Directors in the development of the annual budget.

Composition of Finance Team

- I. The Finance Team shall consist of:
 - a. Three (3) Past Presidents, Recommendations shall be submitted and voted upon by the Past Presidents. The terms shall be staggered.
 - b. One (1) Local Board Association Executive, 2 year term, appointed by President
 - c. Three (3) Annual Appointment by President (President, President-Elect & Treasurer shall each appoint a representative in the initial setup. The terms shall be staggered)
 - d. One (1) Regional Vice President, appointed by President
 - e. President , President- Elect, Treasurer
 - f. Staff Liaisons – CEO and Vice-President Finance/Operations (Ex-officio)

In order to serve on the Finance Team the member must be a REALTOR® in good standing for 5 years; served or participated on a Team in the previous 3 years; and has served in an area of financial expertise on the local or state level.

Strategic Planning Team:

A composition of experienced brokers, managers, REALTOR® members, and Association Executives with a composite experience with industry trends, national, state, and local experience who are long term visionaries with industry and association trends impacting real estate.

LOUISIANA REALTORS®

Conflict of Interest

The purpose of the conflict of interest policy is to protect Louisiana REALTORS® interests when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director or staff person or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit organizations.

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Employment of Certified Public Accountant

A full audit shall be performed by a Certified Public Accountant prior to the Annual Meeting of the Louisiana REALTORS® and its related corporations. The firm shall review all financial areas of the Louisiana REALTORS® and make a report accompanied by supporting documentation to the Executive Committee & Finance Team immediately following the completion of the audit.

The Certified Public Accountant shall also prepare Federal and State Income Tax and Information Returns.

The Finance Team in conjunction with the CEO shall develop criteria for the interview, employment and review process for the Certified Public Accountants. Every three years bid proposals for the interview/hiring of a Certified Public Accountant for the Association shall be disseminated to safeguard the financial security of the Association. The bids shall be reviewed by the CEO and Secretary-Treasurer who shall make their recommendations to the Executive Committee. The Executive Committee shall review these recommendations and submit their selection of a Certified Public Accountant to the Board of Directors for final approval at the Annual Meeting.

The CEO and Vice-President of Finance shall be the Association liaison with the Certified Public Accountant.

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Budget Policy

Budget Process:

The Louisiana REALTORS® Budget will be based on a three year Strategic Plan approved by the Board of Directors. The Strategic Planning Team shall meet to assess the internal and external environments impacting real estate and forward the three Strategic Plan to build programs, products and services delivered by the association. (The initial three year plan shall be effective in 2010.)

The CEO and Vice-President of Finance shall review and analyze the Association's fixed expenses and submit a budget to the Finance Team for: Human Resources, Operations Expense, Business Travel and Meetings. The Finance Team shall review projected expense and approve or make recommendations for further research on proposed expenses. The Fixed Expenses shall then be submitted to the Executive Committee for final approval

Team Chairs and Vice Chairs and staff directors will develop programs and services projecting revenue and expense to meet strategic plan initiatives which include core services which are mandated or recurring programs that address Louisiana REALTORS® strategic objectives over a significant period of time as well as additional programs that address current objectives but are not necessarily mandated or recurring from year to year. Upon completion of the Program Packages, the Finance Team shall review the prepared packages and validate the projected revenue and expenses prior to submitting the packages to the Strategic Planning Team and Executive Committee.

After the "Program Packages" are completed, the Strategic Planning Team shall review the "Program Packages" and confirm if they are relevant or non-relevant to the Strategic Plan.

The budget shall include all fixed expenses and relevant program packages and services . The Finance Team shall evaluate the current dues structure to determine if it will cover the proposed budget. In the event the dues level will not accommodate the proposed budget a recommendation shall be made for reevaluation of proposed revenue and expenses for potential cuts, a recommendation shall be made for a dues increase to cover the proposed level of programming or an alternative method for funding shall be proposed. The budget will be presented to the Executive Committee with proposed alternatives and then submitted to the Board of Directors at the Fall Business Meeting for final approval. The Board of Directors shall have the final authority for an any change in the dues level.

Unbudgeted Expenses

In order for unbudgeted expenses to be considered for funding, proper documentation for said expenses shall be submitted to the Finance Team and then to the Executive Committee for review and recommendation prior to submission to the Board of Directors, who shall have the authority to approve or disapprove the expenditure.

LOUISIANA REALTORS®

Employee Compensation and Payroll

Compensation:

Prior to the approval of the budget, the Finance Team shall set the annual percentage level of the defined retirement plan for distribution to all eligible employed staff.

The Executive Committee will consider a lump sum amount dedicated for bonuses for the employed eligible staff and the CEO. The Executive Committee shall determine the amount, if any, is to be paid, provided the Association meets revenue over expenses for the budget year.

The CEO has the authority to divide bonuses to be distributed to the eligible employed staff determined by merit. The bonus amount for the CEO should not be included in this authority.

The current President, President-Elect, Secretary-Treasurer and Regional Vice Presidents shall approve any bonus awarded to the CEO.

Preparation of Payroll:

The Payroll Company utilized by the Association, shall prepare the payroll checks for the Louisiana REALTORS® employees on every other Thursday. The payroll checks shall be directly deposited or forwarded to the Vice-President of Finance for distribution.

In the event that a signature is required, payroll checks shall require only one signature. In the case of an emergency, a designated staff person of the Association shall be the signatory.

The contracted payroll service shall prepare the federal and state tax deposits for Louisiana REALTORS®.

At the close of each year, the Payroll Company will prepare W-2 forms for distribution to all Association employees.

LOUISIANA REALTORS®

Capital Assets

Capital Assets:

Louisiana REALTORS® capital assets shall be utilized for the replacement of land, buildings, computers, copier, office equipment, landscaping, automobiles and office furniture.

The contracted Certified Public Accountant shall calculate, on an annual basis, the total amount of depreciation of all capital assets.

In the event of a purchased or leased vehicle, the Association shall replace the vehicle after 75,000 miles or at the expiration of the lease, or as needed. The automobile replacement shall be reviewed by the Executive Committee and incorporated in the annual budget.

The Board of Directors will review and approve a three year projected list of potential capital asset needs with updates on an annual basis. A motion must come before the Board of Directors before an item or items can be altered or deleted from the Reserve for Replacement list of the budget.

LOUISIANA REALTORS®

Reserve Funds Policy

Purpose:

The purpose of the Louisiana REALTORS® Reserve Funds shall be to:

1. Provide funds to cover the expenses required to fund the day-to-day operations of the Association, when revenues collected do not adequately cover budgeted Association expenses.
2. Provide funds for unforeseen expenses that would directly benefit the Association and its members.
3. Provide funds for specific purposes .

Reserve Funds shall be used for the following but not limited to:

Rainy Day Reserve:

Louisiana REALTORS® liquid reserves shall be 40% of the annual gross expenditures budget.

Capital Improvements: To insure that adequate resources are available to preserve and maintain the building, furniture, office equipment and Association owned vehicles to assure that resources will be available for normal replacement.

Legal Issues:

To provide assistance by Louisiana REALTORS® to contributing Member Board and/or the Individual Members of Member Boards on matters relating to threatened or pending litigation in state or federal court or with administrative agencies

Superfund for State Issues:

For the purpose of assistance on state issues impacting private property rights and real estate practices.

Further, the reserves shall be effectively managed by the Finance Team working with the contracted investment counselor, the CEO and Financial Director. The policy shall be reviewed annually by the Executive Committee, Finance Team, the Board of Directors and the CPA for any necessary modifications.

All reserve funds that are disbursed shall be approved by the Finance Team and Executive Committee and shall be in compliance with the approved policies and procedures as defined in the Louisiana REALTORS®.

The audited financial statements of the Louisiana REALTORS® shall be reviewed by the Finance Team and Executive Committee. Any revenue over expense shall be transferred to the Reserve Fund account. In the event expenses exceed revenue the Finance Team shall propose a recommendation for funding the deficit.

Louisiana REALTORS®

Investment Policy

Introduction & Purpose

It is intent of this investment policy to be sufficiently specific to be meaningful, yet flexible enough to be practical in order to fulfill the fiduciary obligation imposed on the Finance Team by the Association and the fiscal obligation imposed on the Leadership to use the resources of the Association wisely.

The goal of this policy is to ensure that the funds of the Louisiana REALTORS® are invested to achieve the highest possible rate of return using prudent investment practices. For the purpose of managing investment risk and to optimize investment returns the funds are divided into two separate investment pools.

1. Operating Funds
2. Reserve Funds

General Investment Principles

1. The Operating and Reserve Funds shall be managed with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent business person acting in the capacity of a volunteer committee member familiar with such matters would use in the investment of funds of like character and with like aims.
2. Investment of the Operating and Reserve Funds shall be diversified to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.
3. Investments should be made only through reputable advisors, brokers, dealers, or financial institutions that are members of the Securities Insurance Protection Corporation (SIPC) or Federal Deposit Insurance Corporation (FDIC).
4. Cash is to be employed productively at all times, by investment in short term cash equivalents to provide safety, liquidity, and return.
5. No Officer, board member, committee member, or employee (or any relative of such a person) of the Association may accept or receive a commission or personal benefit resulting from investment activities.
6. To assist the Association in the management of its investment reserves, the Association may engage the services of one or more investment advisors.
7. The Finance Team may employ one or more investment management consultants and investment managers of varying styles and philosophies to attain investment objectives.

8. All dividends and interest from the in-house managed securities in the Operating Funds will go the Operating Budget to help defray the cost of Association programs. All dividends and interest derived from the reserve funds will be reinvested within these portfolios to allow for compounding of returns.

Delegation of Authority

The Finance Team and CEO are authorized by the Board of Directors to invest excess cash within these policy guidelines. Investment decisions not specifically covered in this policy may be recommended by the Finance Team to the Executive Committee within the general context and intent of this policy and investment philosophy.

The Finance Team authorized to delegate certain responsibilities to professional experts in various fields where the Finance Team has determined that the matters so delegated are within the professional or expert competence of such experts, with final approval of the Executive Committee.

Prohibited Investments that Relate to All Investment Funds

At no time shall the Association invest in the following instruments:

1. Privately held securities, i.e. securities that are not publicly traded.
2. Physical assets not used in the normal operations of the organization, such as jewelry and precious metals.

Lending securities or using leverage through the use of futures and margining of marketable securities, unless approved in writing by the Finance Team.

Operating Funds

Purpose:

The purpose of the Operating Funds is to provide sufficient cash to meet the current financial obligations of the Association in a timely manner. Since Operation Cash by definition is spent over the course of a year, there should be no exposure to market risk or interest rate risk for these funds. Operational cash peaks each year in the first quarter and the majority of funds are normally drawn down by the end of the year.

Financial Objectives:

The investment objectives of the Operating Funds are:

1. Preservation of capital;
2. Liquidity; and
3. Optimization of investment returns within constraints of the policy guidelines.

Allowable Investments:

I. Cash Equivalents

- Checking accounts in federally insured banks and savings institutions
- Treasury Bills
- Money Market Accounts (guaranteed or have an implied guarantee by the U.S. government)
- Short Term Investment Funds
- Commercial Paper (rated A1 [or equivalent] or better)
- Banker's Acceptances
- Repurchase Agreements (as overnight sweeps or temporary investments of otherwise idle funds that are collateralized by U.S. Government and Agency Securities)
- Certificates of Deposit (not to exceed \$100,000 per institution)

2. Fixed Income Securities

- U.S. Government and Agency Securities
- Corporate Notes and Bonds (rated Baa [or equivalent] or better)
- Mortgage Backed Securities

Maturity

The maturities on investments shall be limited to 12 months or less and staggered so that operation needs are met.

Reporting:

The investment consultant and the financial officer of the Association shall prepare summary recaps of investments for presentation within the Association financials on a monthly basis. Additionally, these results will be included in reports disseminated monthly to the Finance Team.

Reserve Funds

Purpose

The purpose of the Reserve Funds, including those identified for specific purposes, is to enhance the purchasing power of funds held for future expenditures and to prudently maintain the financial stability of the Association.

The Reserve fund has been established to:

- I. Provide funds to cover expenses required to fund the day to day operations of the Association when revenues collected do not adequately cover budgeted association expenses.

2. Provide funds to cover operating expenses of the association in the event of a major downturn in the market, significant loss of membership, or a natural disaster impacting the membership.
3. Provide funds for unforeseen expenses that would directly benefit the association and its members.
4. Provide funds for specific purposes through allocation of the account.

Financial Objectives:

The financial objectives of the Reserve Funds are:

1. Preservation of capital
2. Sufficient income commensurate with safety of principal and the spending requirements of the association.
3. Capital appreciation
4. Optimization of investment returns within constraints of the policy guidelines.

Investment Guidelines

An amount equal to 40% of the annual gross operating expenditures budget must be invested in cash and short to intermediate term securities in order to meet Operating Reserve Policy (Rainy Day Fund) liquidity requirements. These securities shall not be exposed to excessive interest rate or market risk.

The Reserve Funds may be invested in a combination of fixed income securities and equities with the primary goal of long-term appreciation of assets and consistency of total return on the portfolio. The Finance Team shall review the asset allocation of its holding on an annual basis.

Asset Mix is the primary determinant of the Association's Portfolio performance. Asset mix may be changed from time to time based on the economic and security markets outlook as well as the income and liquidity needs of the Association.

The return objective of the Reserve Fund should be primarily long-term in nature and focused upon maintaining asset growth above the rate of inflation. In the shorter term, attention to preservation of nominal capital value is also required.

Allowable Investments:

I. Cash Equivalents

- Checking accounts in federally insured banks and savings institutions
- Treasury Bills
- Money Market Accounts (guaranteed or have an implied guarantee by the U.S. government)
- Short Term Investment Funds
- Commercial Paper (rated A1 [or equivalent] or better)
- Banker's Acceptances
- Repurchase Agreements (as overnight sweeps or temporary investments of otherwise idle funds that are collateralized by U.S. Government and Agency Securities)
- Certificates of Deposit (not to exceed \$100,000 per institution)

2. Fixed Income Securities

- U.S. Government and Agency Securities
- Corporate Notes and Bonds (rated Baa [or equivalent] or better)
- Mortgage Backed Securities

3. Equity Securities

- Common Stocks
- Convertible Notes and Bonds
- Convertible Preferred Stocks
- American Depository Receipts (ADR's) of Non-U.S. Companies

4. Mutual & Index Funds

- Mutual Funds which invest in securities as allowed in this statement
- Exchange-traded funds which invest in securities as allowed in this statement

5. Other Assets

- Guaranteed Investment Contracts (GIC)
- Master of Limited Partnerships (MLP)
- Commodities
- Hedge Equity Funds
- Hedge Fund-of-Funds

Any asset class additions or additional investment types must be recommended by the Finance Team for approval.

Maturity

The maturities on investments representing an amount equal to the 40% liquidity policy (Rainy Day Fund) requirement shall be staggered with a one to five year time horizon. Remaining managed investments shall be staggered up to a 10 year time horizon.

Reporting:

The investment consultant and the financial officer of the Association shall prepare a summary recap of investments for presentation within the Association financials on a monthly basis. Additionally, these results will be included in reports disseminated monthly to the Finance Team.

Duties of Finance Team with Investments

Charged with the oversight and responsibility of the investments.

- I. Monitor the investment's performance based on the comparison of the expected rate of return with indexes that correlate with the portfolio's asset mix.

2. Investment decisions meet the criteria of the Reserve policy.
3. Meet on a quarterly basis with the Investment Counselor.

Monitoring Objectives and Results:

- a. All objectives and policies are in effect until modified by the board of directors.
- b. If at anytime the Investment Manager believes that any policy guidelines inhibits performance; it is the manger's responsibility to clearly communicate this view to the Finance Team.
- c. The investment manager is required to inform the chairman of the finance team and the CEO immediately of any significant changes in firm, ownership, organizational, structure, disability, incapacity or temporary absence of any professional personnel, account structure or fund investment philosophy. Additionally, the investment manager is charged with immediately reporting, in writing, any pertinent changes or adverse regulatory developments regarding the firms or personnel to the Finance Team and the CEO.
- d. Portfolios will be monitored on a continual basis for consistency in investment philosophy, return relative to objectives, and investment risks as measured by asset concentrations. Portfolios will be reviewed by the Finance Team on a continuing basis, but the results will be elevated over rolling three and five year periods. However the Finance Team will regularly review managers in order to confirm that the factors underlying performance expectations remain in place.
- e. The investment manager shall issue monthly statements of the transactions and holdings of each managed account. These will be made available to the Association's CEO and the Finance Team. The investment manager will issue quarterly reports and will be available for regular meetings with the Finance Team to review the status of the account and the investment manager's performance compared to objectives.

Criteria for Investment Manager Review

The Board wishes to adopt standards by which judgments of the ongoing performance of an investment manager may be made.

- a. Four consecutive quarters of total fund performance below the 25 percentile.
- b. Standard deviation for the portfolio more than one hundred-twenty percent of the index.
- c. Loss by the investment philosophy of any senior personnel
- d. Any change in the basic investment philosophy by the investment manager.
- e. Failure to observe the investment restrictions of the Reserve Fund.

This shall in no way limit or diminish the Finance Team or the Board's right to terminate the Investment counselor at anytime or without cause.

Reporting:

The investment consultant and the financial officer of the Association shall prepare a summary recap of investments for presentation within the Association financials on a monthly basis. Additionally, these results will be included in reports disseminated monthly to the Finance Team.

Monthly reports will be received from the outside investment manager(s) for internal review of results and reporting of income gains or losses in the monthly financials of the Association. These reports will be made available to the Association's CEO and the Finance Team.

Investment advisors will present results of outside managed portfolios on a quarterly basis to the Finance Team.

Appendix A

Guidelines for Management of Outside Managed Funds

The Finance Team is authorized to delegate certain responsibilities to professional experts in various fields where the Finance Team has determined that the matters so delegated are within the professional or expert competence of such experts and with final approval of the Executive Committee. These include, but are not limited to:

Investment Management Consultant: The consultant will assist the Association to establish investment policies, objectives, and guidelines; select investment managers; review such managers over time; measure and evaluate investment performance; and perform other tasks as deemed appropriate.

Investment Manager: The investment manager will have discretion to purchase, sell, or hold the specific securities that will be used to meet the Association's investment objectives.

Custodian: The custodian will physically (or through agreement with a sub-custodian) maintain possession of securities owned by the Association, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the Association accounts.

Responsibility of the Investment Management Consultant(s)

The investment management consultant's role is that of a non-discretionary advisor to the Finance Team. Investment advice concerning the investment management of assets covered by this policy, will be offered by the investment management consultant, and will be consistent with the investment objectives, policies, guidelines and constraints as established in this statement. Specific responsibilities of the investment management consultant include:

- I. Assisting in the development and periodic review of investment policy.
 - a. Perform asset allocation studies and proactively recommend allocation changes or rebalancing.
 - b. Conducting investment manager searches when requested by the Finance Team.
2. Providing "due diligence", or research, on the investment manager(s).
 - a. Monitoring the performance of the investment manager(s) to provide the Finance Team with the ability to determine the progress toward the investment objectives.
 - b. Communicating matters of policy, manager research, and manager performance to the Reserves Investment Subcommittee.
 - c. Reviewing portfolio investment history, historical capital markets performance and the contents of the investment policy statement to any newly appointed members of the Finance Team.
 - d. Monitoring the investments of all investment managers to determine whether the asset allocation ranges and the investment guidelines defined for each portfolio as a whole are being complied with, and to promptly notify investment managers, the

Treasurer and senior financial officer and the Financial Team of any non-compliance, and advise on how best to achieve compliance.

Responsibility of the Investment Manager(s)

It is anticipated that the services of a registered investment advisor will be sought to manage portions of the investment portfolios of the Association. The Finance Team will rely on the investment management consultant's due diligence in selecting the investment managers. Investment managers being considered will be evaluated on several factors, including but not limited to, the needs of the Association, the pattern of the historical rates of return and the volatility to those returns, styles of management, adherence to style, research capability, staffing, fees, and other factors considered relevant and incorporating best practices. In consultation with the investment management consultant, the Finance Team will review the proposed investment manager selections and retain investment managers as appropriate.

Each investment manager will have full discretion to make all investment decisions for the assets placed under its jurisdiction, while observing and operating within all policies, guidelines, constraints, and philosophies as outlined in this statement. The investment manager shall be responsible for:

1. Discretionary investment management including decisions to buy, sell, or hold individual securities, and to alter asset allocation within the guidelines established in this statement.
2. Communicating to the investment management consultant and Association management, any major changes to economic outlook, investment strategy, or any other factors which affect implementation of the investment process, or fulfilling the Association's investment objectives.
3. Informing the investment management consultant and/or Association management regarding any qualitative change to investment management organization. Examples include changes in portfolio management personnel, ownership structure, investment philosophy, etc.
4. Voting proxies on behalf of the Association in its best interest.

The Board of Directors, Finance Team, Executive Committee or the Association's Officers will not reserve any control over investment decisions, with the exception of specific limitations described in the Investment Policy Statement. Managers will be held responsible and accountable to achieve the objectives herein stated. While it is not believed that the limitations will hamper investment managers, each manager should request modifications which they deem appropriate. All expenses for such experts must be customary and reasonable.

Selection of Investment Managers

The Finance Team's selection of investment manager(s) must be based on prudent due diligence procedures, including consideration of prospective investment managers' performance, personnel, strategy, research capabilities, organizational and business matters, and other qualitative factors that will impact their ability to achieve results. A qualifying investment

manager must be a registered investment advisor under the Investment Advisors Act of 1940, or a bank or insurance company.

Termination of a Manager

The Finance Team, CEO and senior financial officer, in consultation with the investment management consultant, will evaluate quarterly each of the investment managers' trailing 12 month performance as well as rolling three and five-year period results. The CEO and senior financial officer reserve the right, between meetings of the Finance Team, to recommend to the Finance Team the termination of an investment manager for any reason including the following:

1. The convenience of the Reserve.
2. Unacceptable justification of poor investment results given the discipline employed and the risk parameters established.
3. Failure to adhere to the Investment Policy Statement, including communication and reporting requirements.
4. Significant changes to the investment management organization deemed adverse to the interests of the Reserve Funds.

Investment Manager Performance Review and Evaluation

Performance reports generated by the investment management consultant shall be compiled at least quarterly and communicated to the Finance Team for review. The investment performance of total portfolios, as well as asset class components, will be measured against commonly accepted performance benchmarks. Consideration shall be given to the extent to which the investment results are consistent with the investment objectives, goals, and guidelines as set forth in this statement. The Finance Team intends to evaluate the portfolio(s) performance over at least a three year rolling period format. It is understood that the Association may 'ride out' any losses within the 3 year rolling period, however, instructions to each investment manager will be that no more than 10% of the original principal may be lost on a cumulative three year basis, and no more than 20% in any given year. The Finance Team reserves the right to terminate a manager without cause or for any reason, including, but not limited to, the following:

1. Investment performance which is significantly less than anticipated given the discipline employed and the risk parameters established, or unacceptable justification of poor results.
2. Failure to adhere to any aspect of the statement of investment policy, including communication and reporting requirements.
3. Significant qualitative changes to the investment management organization.

Investment managers shall be reviewed regularly regarding performance, personnel, strategy, research capabilities, organizational and business matters, and other qualitative factors that may impact their ability to achieve the desired investment results.

Investment Policy Review

To assure continued relevance of the guidelines, objectives, financial status and capital markets expectations as established in the Investment Policy Statement, the Association's Treasurer, CEO, and Finance Team will review the investment policy with the investment management consultant at least annually.

Investment Management Policy

1. **Preservation of Capital** - Consistent with their respective investment styles and philosophies, investment managers should make reasonable efforts to preserve capital, understanding that losses may occur in individual securities.
2. **Risk Aversion** - Understanding that risk is present in all types of securities and investment styles, the Finance Team recognizes that some risk is necessary to produce long-term investment results that are sufficient to meet the Reserve Funds objectives. However, the investment managers are to make reasonable efforts to control risk, and will be evaluated regularly to ensure that the risk assumed is commensurate with the given investment style and objectives.
3. **Adherence to Investment Discipline** - Investment managers are expected to adhere to the investment management styles for which they were hired. Managers will be evaluated regularly for adherence to investment discipline.

Investment Objectives

In order to meet its needs, the investment strategy of the Reserve Funds is to emphasize total return; that is, the aggregate return from capital appreciation and dividend and interest income.

Specifically, the primary objective in the investment management for the assets of the Reserve Funds shall be:

Preservation of Purchasing Power - To achieve returns in excess of the rate of inflation over the investment horizon in order to preserve purchasing power of Reserve Funds assets. Risk control is an important element in the investment of Reserve assets.

The secondary objective in the investment management of the assets of the Reserve Funds shall be:

Long-Term Growth of Capital - Emphasize long-term growth of principal while avoiding excessive risk. Short-term volatility will be tolerated in as much as it is consistent with the volatility of a comparable market index.

Specific Investment Goals (EXAMPLE)

In developing a target rate of return, a 4% real growth assumption in future years is utilized as an example to calculate an Average Target Rate of Return for the determination of the Portfolio Asset Allocation.

Over the investment horizon of 10 years, the objective of the aggregate outside managed Reserve Funds portfolio(s) is to meet or exceed an Average Target Rate of Return per year as approved by the Finance Team. Using the example of a 7.5% average target rate of return, the calculation would break down as follows:

Real Growth Assumption	4.0%
Inflation	2.5%
Approximate Expenses	<u>1.0%</u>
Total Average Target Rate of Return	<u>7.5%</u>

The investment goals above are the objectives of the aggregate Reserve assets and are not meant to be imposed on each investment account (if more than one account is used). The goal of each investment manager, over the investment horizon, shall be to:

1. Meet or exceed the market index, or blended market index, selected and agreed upon by the Association that most closely corresponds to the style of investment management.
2. Display an overall level of risk in the portfolio which is consistent with the risk associated with the benchmark specified above. Risk will be measured by the standard deviation of quarterly returns.

Specific investment goals and constraints for each investment manager shall be incorporated as part of this investment policy statement. The specific goal shall be reviewed and adopted annually by the Board of Directors.

Asset Allocation Guidelines

The proportion of securities invested in equities, fixed income, and other securities as defined by the policy may vary from time to time. The Finance Team shall review the asset allocation of its holdings at least annually.

1. The Finance Team may employ investment managers whose investment disciplines require investment outside the established asset allocation guidelines. However, taken as a component of the aggregate Reserve, such disciplines must fit within the overall asset allocation guidelines established in this statement.
2. In the event that designated aggregate asset allocation guidelines are violated, for reasons including but not limited to market price fluctuations, the Finance Team will instruct the investment management consultant(s) to bring the portfolio(s) into compliance with these guidelines as promptly and prudently as possible. In the event that any individual investment manager's portfolio is in violation with its specific guidelines, for reasons including but not limited to market price fluctuations, the Finance Team expects that the investment manager will bring the portfolio into compliance with these guidelines as promptly and prudently as possible without instruction from the Finance Team.

Diversification for Investment Managers

In order to achieve a prudent level of portfolio diversification, the securities of any one company or government agency should not exceed 5% of the total outside managed Reserve Funds at cost, and no more than 20% of the total outside managed Reserve Funds should be invested in any one industry. Individual treasury securities may represent 100% of the total, while the total allocation to treasury bonds and notes may represent up to 100% of the outside managed Reserve Funds portfolio aggregate bond position. Deviation from these guidelines must be approved by the Finance Team and reported to the Executive Committee.

General Guidelines for Fixed Income Investments and Cash Equivalents

1. Assets of the Reserve Funds may be invested only in investment grade bonds rated AA or BB (or equivalent) or better, except for the 5% maximum allowable high yield allocation described below.
2. Assets of the Reserve Funds may be invested only in commercial paper rated A1 (or equivalent) or better.
3. Fixed income maturity restrictions are as follows:
Average duration of the portfolio should be +/- 1 year to the index.
4. Money Market Reserves selected shall contain securities which are guaranteed or have an implied guarantee by the U.S. government.

High Yield Bond Portfolio

1. All high yield related investments are preferred to be rated at least B- or equivalent at the time of purchase, by one of the established rating agencies (generally Moody's or S&P). If the issue is split rated, the lower rating is applicable for guideline purposes. Purchases can be rated below B- by S&P or B3 by Moody's based on the Investment Manager's professional judgment. A maximum 5% of the portfolio may be held in bonds that have a rating of CCC or below. Non-rated issues may comprise up to 5% of the portfolio, provided that the Investment Manager determines that, if such an issue were rated, it would be allowed under the guidelines listed above. The portfolio may have a High Yield allocation up to 10% (at cost), with a maximum allocation of 15% (at market value).

Marketability of Assets

The Finance Team requires, unless otherwise approved by the Board of Directors, that the assets of the Reserve Funds be invested in liquid securities, defined as securities that can be transacted quickly and efficiently for the Reserve Funds, with minimal impact on market price.

Derivative Investments

Many derivative securities are relatively new and therefore have not been observed over multiple economic cycles. The Finance Team will take a conservative posture on derivative

securities in order to maintain its risk averse nature. It is not the intention of this document to list specific derivatives that are prohibited from investment, but rather to state generally a conservative bias with their use. Unless a specific type of derivative security is allowed in this document, the investment manager(s) must seek permission from the Finance Team to include derivative investments in the Reserve Funds portfolio(s). The investment manager(s) must present detailed information as to the expected return and risk characteristics of such investment vehicles.

Alternative Investments

The Finance Team recognizes that alternative investment strategies may provide added benefits in the form of increased return and/or reduced volatility through greater diversification. Accordingly, the Association may invest a portion of Reserve Funds portfolio(s) in market neutral and/or hedge equity strategies, with the goal of this asset class to enhance the Reserve Funds investment returns while also moderately reducing risk.

Hedge equity strategies are private investment strategies, generally structured as limited partnerships or investment companies. Hedge equity investment managers are allowed to operate with greater flexibility than most traditional investment managers and their compensation usually includes substantial performance incentives. When investing in Fund-of-Funds or individual hedge equity, offering memoranda must be reviewed to ensure that such investments would not constitute any violations with the Reserve Funds Investment Policy.

Investments in hedge equity and market neutral strategies will be considered within the context of an overall investment plan. The objective of such strategies will be to diversify the outside managed Reserve Funds portfolio(s), complementing traditional equity and fixed-income investments and improving the overall performance consistency of the Reserve Funds. Of course, there is no guarantee that this objective will be realized.

It is understood that hedge equity and market neutral strategies are less transparent than traditional investments, but reasonable levels of transparency and reporting are expected in order to monitor the investment appropriately. In addition, it is understood that liquidity in such investments may be limited. Liquidity constraints, including lock-up provisions will be taken into consideration when making allocations to such investments. Allocations in market neutral strategies should only be made through Fund of Funds investment structure. or through publicly Traded Investment Vehicles.

Stock Exchanges

To ensure marketability and liquidity, investment advisors will execute equity transactions through the following exchanges: New York Stock Exchange; American Stock Exchange; and NASDAQ over-the-counter market. In the event that an investment manager determines that there is a benefit or a need to execute transactions in exchanges other than those listed in this statement, written approval is required from the Finance Team.

Appendix B

Glossary

American Depository Receipts (ADRs): A negotiable certificate issued by a U.S. bank representing a specified number of shares (or one share) in a foreign stock that is traded on a U.S. exchange. ADRs are denominated in U.S. dollars, with the underlying security held by a U.S. financial institution overseas.

Board of Directors: The governing board of NAR established to administer the investment of assets as specified by this document.

Cash & Cash Equivalents: Highly liquid investments that can be immediately converted to cash. Maturity time horizon is 1 year or less.

Derivative Investments: Derivative securities are defined as synthetic securities whose price and cash flow characteristics are based on the cash flows and price movements of other underlying securities. Most derivative securities are derived from equity or fixed income securities and are packaged in the form of options, futures, CMOs (PAC bonds, IOs, POs, residual bonds, etc.), and interest rate swaps, among others.

Exchange-Traded Funds: A security that tracks an index, a commodity or a basket of assets like an index fund, but trades like a stock on an exchange, thus experiencing price changes throughout the day as it is bought and sold. Because it trades like a stock whose price fluctuates daily, an ETF does not have its net asset value (NAV) calculated every day like a mutual fund does.

Fiduciary: Any individual or group of individuals that exercise discretionary authority or control over funds management or any authority or control over management, disposition or administration of fund assets.

Finance Team: The team which has been delegated the responsibility to develop the investment policy and monitor the execution of the policy approved by the Board of Directors.

Guaranteed Investment Contract (GIC): Insurance contracts that guarantee the owner the principal repayment and a fixed or floating interest rate for a predetermined period of time. Guaranteed investment contracts are typically issued by insurance companies and marketed to institutions that qualify for favorable tax status under federal laws. These products provide institutions with guaranteed returns.

Hedge Fund: An aggressively managed portfolio of investments that uses advanced investment strategies such as leverage, long, short and derivative positions in both domestic and international markets with the goal of generating high returns (either in an absolute sense or over a specified market benchmark).

Intermediate Term Securities: Bonds or other instruments that have a maturity time horizon up to 5 years.

Investment Horizon: The time period over which the investment objectives are expected to be met. Each investment fund will have a specific time horizon for analyzing various asset allocation strategies and risk and return assumptions.

Investment Management Consultant: Any individual or organization employed to provide advisory services, including advice on investment objectives and/or asset allocation, manager search, and performance monitoring.

Investment Manager: Any individual, or group of individuals, employed to manage the investments of all or part of a fund's assets.

Long Term Securities: Bonds or other instruments that have a maturity time horizon greater than 5 years.

Market Neutral: A hedge fund strategy that seeks to exploit differences in stock prices by being long and short in stocks, or by being within the same sector, industry market capitalization, country, etc. This strategy creates a hedge against market factors.

Master Limited Partnership (MLP): A type of limited partnership that is publicly traded. There are two types of partners in this type of partnership: The limited partner is the person or group that provides the capital to the MLP and receives periodic income distributions from the MLP's cash flow, whereas the general partner is the party responsible for managing the MLP's affairs and receives compensation that is linked to the performance of the venture. One of the most crucial criterion that must be met in order for a partnership to be legally classified as an MLP is that the partnership must derive most (~90%) of its cash flows from real estate, natural resources and commodities.

Reserves Investment Subcommittee: The committee which has been delegated the responsibility to execute the policy under the Finance Team's approval.

Securities: The marketable investment securities which are defined as acceptable.

Short Term Investment Funds: A type of fund that invests in short-term investments of high quality and low risk. The goal of this type of fund is to protect capital with low-risk investments while achieving a return that beats a relevant benchmark such as a Treasury bill index. Short-term investment funds include cash, bank notes, corporate notes, government bills and various safe short-term debt instruments.

Short Term Securities: Bonds or other instruments that have a maturity time horizon up to 3 years.

LOUISIANA REALTORS®

Business Related Expenses

NOTE: In the event an officer, director or staff member is covered in more than one area of the Travel Policy, the individual may only receive one reimbursement per trip.

President/President-Elect:

Expenses reimbursed to the President and spouse and President-Elect and spouse by the Louisiana REALTORS® shall be as follows:

A) Lodging: Lodging expenses shall be reimbursed or direct billed to the Louisiana REALTORS® and shall not exceed the room rate of a double room at the headquarters' hotel of the meeting. (Room and tax covered no incidentals.) Cancellations: Should you find it necessary to cancel your hotel reservations, it is your responsibility to contact your staff executive during business hours or the hotel after hours so the Association is not charged for a "no show."

B) Transportation: Airfare (not to exceed coach class fare; however, because of substantial savings, super saver fares not to exceed coach class) shall be used whenever available; mileage to and from meeting, based on IRS guidelines for mileage reimbursement; airport limo, bus or airport transfer; mileage to and from airport or public transportation; parking or storage of automobile while at airport; tolls; and tips in conjunction with travel.

C) Allowable Daily Expenses: Meals, tips, and ground transportation shall be reimbursed as daily expenses. Reimbursement shall be made only if a Travel Expense Report Form has been submitted to Louisiana REALTORS® within 60 days of the trip, with receipts for expenditures greater than or equal to \$75.00 for allowable expenses. Any individual's expenses covered as part of the reimbursement must be listed on the travel expense voucher. Reimbursement for officers shall not exceed the following amounts:

Expenses for Officers:

Association Sponsored:	-	\$75.00 Per Day
Out-of-state	-	\$125.00 Per Day

D) Registration Fees: Registration fees and applicable tickets for National and State meetings for officers and spouse shall be paid.

E) Expenses shall be paid for all National and State sponsored meetings. The President-Elect, in lieu of the President, shall attend a meeting of the Texas Association of REALTORS®. The Association shall pay the expense of the President-Elect in attendance at the annual meeting of the Texas Association of REALTORS®. These expenses shall include overnight accommodations; per diem; and mileage for said meetings. Per day expenses are cumulative for approved trips only.

F) Member Board Visits of Elected Officers: Funding shall be reimbursed for all elected Association officers who are invited to attend local Board installations, sales banquets or other Board sponsored events. The Louisiana REALTORS® shall reimburse the officer based on the specific policy of “Association Sponsored” Travel Policy for the officer. In order to receive reimbursement, a Travel Expense Report Form, with receipts for expenses greater than or equal to \$75.00, shall be submitted to the Association within 60 days of expense.

G) Tax Implications of Spouse Travel: The Louisiana REALTORS® shall issue 1099 to officers whose spouses have accompanied them on Association trips at the end of each year. The 1099 shall be based on spouse expenses incurred from air travel and/or meal expenses reimbursed by Louisiana REALTORS®.

SECRETARY-TREASURER:

Expenses reimbursed to the Secretary-Treasurer **only** by the Louisiana REALTORS® shall be as follows:

A) Lodging: Lodging expenses shall be reimbursed or direct billed to the Louisiana REALTORS® and shall not exceed the room rate of a double room at the headquarters’ hotel of the meeting. (Room and tax covered no incidentals.) Cancellations: Should you find it necessary to cancel your hotel reservations, it is your responsibility to contact your staff executive during business hours or the hotel after hours so the Association is not charged for a “no show.”

B) Transportation: Airfare (not to exceed coach class fare; however, because of substantial savings, super saver fares not to exceed coach class); mileage to and from meeting, based on IRS guidelines for mileage reimbursement; airport limo, bus or airport transfer; mileage to and from airport or public transportation; parking or storage of automobile while at airport; tolls; and tips in conjunction with travel.

C) Allowable Daily Expenses: Meals, tips, and ground transportation shall be reimbursed as daily expenses. Reimbursement shall be made only if after a Travel Expense Report Form has been submitted to Louisiana REALTORS® within 60 days of the trip, with receipts for expenses greater than or equal to \$75.00 for allowable expenses. Reimbursement for Treasurer shall not exceed the following amounts:

Association Sponsored:	-	\$75.00 Per Day
Out-of-state	-	\$125.00 Per Day

D) Registration Fees: Registration fees and applicable tickets for National and State meetings for Secretary-Treasurer shall be paid.

E) Expenses are covered for the Annual Convention of the National Association of REALTORS® and sponsored meetings of the Louisiana REALTORS®. These expenses shall include overnight accommodations; per diem; and mileage for said meetings scheduled.

F) Member Board Visits of Elected Officers: Funding shall be reimbursed for all elected Association officers who are invited to attend local Board installations, sales banquets or other Board sponsored events. The Louisiana REALTORS® shall reimburse the officer based on the specific policy of "Association Sponsored" Travel Policy for the officer. In order to receive reimbursement, a Travel Expense Report Form, with receipts for allowable expenses, shall be submitted to the Association within 60 days of expense. Receipts are required for expenses greater than or equal to \$75.00.

CEO

- A) The CEO shall be reimbursed for travel expenses under the same Travel Policy as that of the President.
- B) Any travel/meeting expenses presently covered by the employment contract between the CEO and the Louisiana REALTORS®.
- C) Cash advances for travel may be granted to the CEO; however the amount of the cash advance may not exceed \$100.00 per travel day per trip. A detailed statement of the use of the cash advance must be remitted to the Louisiana REALTORS®, along with receipts, and must be applicable to policy.

REGIONAL VICE PRESIDENTS & Executive Committee Members

Regional Vice Presidents shall be reimbursed mileage for official Board visits and state required meetings within their region provided a Travel Expense Report Form is completed and submitted to the Association within 60 days of the expense.

REGIONAL VICE PRESIDENTS/NAR (LOUISIANA):

The Louisiana REALTORS® shall contribute to the Regional Vice President up to \$1,500.00 for attendance at the midyear meeting and up to \$1,500.00 for attendance at the annual convention of the National Association of REALTORS®, in addition to the contribution from the Texas Association of REALTORS®, when the Regional Vice President is from Louisiana. If one is elected to both the position of National Association of REALTORS® Regional Vice President and Louisiana REALTORS® elected director of the National Association of REALTORS® that individual will only be compensated for RVP Position.

The Louisiana REALTORS® will also provide the Regional Vice President, when from Louisiana, with complimentary housing at the Association's Leadership Orientation, Spring Business Meeting and Fall Business Meeting.

REGIONAL VICE PRESIDENT/NAR (TEXAS):

In the event that the Regional Vice President is from Texas, the Louisiana REALTORS® shall compensate the Regional Vice President in the amount of \$2,000.00.

NAR DIRECTORS:

The expenses of the Louisiana REALTORS® elected directors of the National Association of REALTORS® and the LR members who are NAR directors by virtue of an appointed NAR position and Chairs/Vice Chairs of NAR committees (not to include forum leadership) shall be reimbursed at the rate of \$4,000.00 per year, per director, upon the Association's receipt of a Travel Expense Report Form, verifying attendance at the Midyear or Convention meetings of the National Association of REALTORS®, payable at a cumulative, maximum rate of \$4,000.00 during one calendar year (\$4,000.00 maximum for attendance at two (2) National meetings; \$2,000.00 maximum for attendance at one (1) National meeting). Louisiana REALTORS® shall issue a cumulative balance statement per Director after each reimbursement of expenses has been paid by the Association. A Travel Expense Report Form shall be submitted with receipts within 60 days after the expense are incurred. Receipts are required for all expenses greater than or equal to \$75.00.

Eligible expenses, shall include:

A) Lodging: Lodging expenses shall be reimbursed by the Louisiana REALTORS® and shall not exceed the room rate of a single room at the headquarters' hotel of the meeting. (Room and tax covered no incidentals.) Cancellations: Should you find it necessary to cancel your hotel reservations, it is your responsibility to contact your staff executive during business hours or the hotel after hours so the Association is not charged for a "no show."

B) Transportation: Airfare (not to exceed coach class fare; however, because of substantial savings, super saver fares not to exceed coach class shall be used when available); mileage to and from meeting based on IRS guidelines for mileage reimbursement; airport limo, bus or airport transfer; mileage to and from airport or public transportation; parking or storage of automobile while at airport; tolls and tips in conjunction with travel.

C) Allowable Daily Expenses: Meals, tips, and ground transportation shall be reimbursed as daily expenses. Reimbursement shall be made on a Travel Expense Report Form with receipts, submitted to the Association within 60 days of said trip. Receipts are required for expenses greater than or equal to \$75.00. Meals, tips and ground transportation shall be reimbursed on a daily basis not to exceed the following amounts:

In-State	-	\$75.00 Per Day
Out-of-state	-	\$125.00 Per Day

In order for a Louisiana REALTORS® elected director of the National Association of REALTORS® or the Louisiana REALTORS® member appointed to the Executive Committee of the National Association of REALTORS®, when that appointment would be a NAR director position and Chair/Vice Chair of a committee to be reimbursed for expenses, the Director shall attend the following * Verified by attendance sign in

- 1) Appointed National committee meeting.
- 2) Regional Caucus*
- 3) Louisiana Caucus (in the event one is held at the meeting)*
- 4) Board of Directors Meeting*

PLEASE NOTE: National Directors are required to notify the Association's Chairman of The Board or President prior to their inability to attend any required national meetings.

All appeals for National Directors must be submitted in writing to the Association's Executive Committee.

STAFF TRAVEL:

The CEO shall request travel expenses for eligible staff of the Louisiana REALTORS® in the salary expense package. The expenses shall be approved by the Board of Directors and limited to the following guidelines:

A) Lodging: Lodging expenses shall be reimbursed or direct billed to the Louisiana REALTORS® and shall not exceed room rate of a single room at the headquarters' hotel of meeting. (Room and tax covered no incidentals.) Cancellations: Should you find it necessary to cancel your hotel reservations, it is your responsibility to contact your staff executive during business hours or the hotel after hours so the Association is not charged for a "no show."

B) Transportation: Airfare (not to exceed coach class fare; however because of substantial savings, super saver fares not to exceed coach fare shall be used when available); mileage to and from meeting, based on IRS guidelines for mileage reimbursement; airport limo, bus or airport transfer; parking or storage of automobile while at airport; tolls; and tips in conjunction with travel. Air travel shall be arranged far enough in advance in order to receive maximum discounted fares.

C) Allowable Daily Expenses: Meals, tips and ground transportation shall be reimbursed on a daily basis not to exceed the following amounts:

In-State	-	\$75.00 per day
Out-of-State	-	\$125.00 per day

D) Registration Fees: Staff registration fees and applicable tickets for meeting as approved by CEO.

Consideration shall be given for reimbursement of expenses for other staff attending national meetings and education seminars upon recommendations of the President to the Executive Committee.

The CEO shall submit a staff budget request during the budgetary process outlining need and appropriate funding necessary for attendance at national meetings and education seminars

E) Tax Implications of Spouse Travel: In the event a spouse accompanies an Association staff member, other than the CEO, to an Association function or Member Board sponsored event, the Louisiana REALTORS® will issue a W-2 form for the spouse expense for the reimbursed by the Louisiana REALTORS® for said event with prior approval of the CEO.

PROFESSIONAL STANDARDS TEAM MEMBERS:

Members of the Louisiana REALTORS® participating in ethics or arbitration hearings conducted by the Louisiana REALTORS® shall be reimbursed mileage to and from the hearing provided a Travel Expense Form with receipts is submitted to Louisiana REALTORS® within 30 days of trip.