



ARELLO® FOUNDATION POLICIES AND PROCEDURES

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POLICY 1. AUTHORITY OF DOCUMENT	

Recognizing the need for specific policies and procedures in areas not covered by the Bylaws of the ARELLO Foundation (hereinafter referred to as "Foundation"), the Foundation has adopted

the following Policies and Procedures, which shall remain in effect until amended or repealed by the Foundation Board of Trustees.

POLICY 2. WORKING GROUPS

In addition to the committees established under Article IV, Section 1 of the Foundation Bylaws, the Chair of the Board of Trustees shall have the authority to create advisory groups or task forces to work on a specific issue.

POLICY 3. SERVICES AND ACTIVITIES

To support the efforts of the Association of Real Estate License Law Officials (ARELLO), and to fulfill its purpose, the Foundation shall perform a variety of services and activities as follows: conduct research, provide public education, gather and publish information, award grants and enhance the development, administration and enforcement of real estate laws.

Procedure 3.1. The services and activities performed by the Foundation shall support its non-profit status and follow the restrictions established by the IRS Tax Code.

Procedure 3.2. All services and activities shall support the purpose and the goals of the Foundation

- a. Operate exclusively for the benefit of, perform functions of, or carry out the policies of ARELLO;
- b. Develop educational resources to assist in the enforcement of real estate laws; and c. Educate the public on subjects useful to the individual and beneficial to the community.

Procedure 3.3. Educational programs offered by the Foundation may be in a form of presentations, lectures, public discussion groups, forums, panels, and similar activities.

POLICY 4. FUNDRAISING AND CONTRIBUTIONS

The Foundation shall conduct organized activities to raise funds.

Procedure 4.1. The Foundation may solicit and accept voluntary contributions of money or other resources.

Procedure 4.2. Contributions may be accepted from ARELLO members, individuals, charitable foundations, businesses, governmental agencies, grant making authorities, and other sources subject to the Foundation's discretion to refuse or return any donation at any time for any reason in the sole discretion of the Foundation.

Procedure 4.3. Contributions to the Foundation shall be accepted with no intention to influence

the decisions of the Foundation, ARELLO, and/or its member jurisdictions and their representatives and shall not be made in exchange for any consideration other than the benefits that consumers and the real estate industry might receive through the services offered by the Foundation and ARELLO.

Procedure 4.4. The Foundation may adopt a fundraising plan to outline the fundraising goals, types of activities to be considered, and the main criteria for solicitation. The fundraising plan may be reviewed and updated annually.

Procedure 4.5. The Foundation Board of Trustees shall appoint one or more member(s) of the Board to lead the fundraising efforts.

Procedure 4.6. The Foundation Board of Trustees may seek the cooperation of ARELLO members for its fundraising efforts.

Procedure 4.7. An annual report on the fundraising efforts and achievements shall be presented to the Board of Trustees by March 31st of the following calendar year.

POLICY 5. DISTRIBUTION OF FUNDS

To fulfill its purpose and support its services and activities, the Foundation shall distribute funds in the form of competitive grants, direct funding, and sponsorships.

Procedure 5.1. The funds in the Foundation's Morgan Stanley account #523-113702-342 have been designated as a quasi-endowment fund to provide resources to research real estate law and policy issues and to participate with the appropriate organizations in discussions of real estate regulation. Spending from the quasi-endowment fund will be in accordance with the investment policy statement.

Procedure 5.2. Each activity requiring distribution of funds shall be approved by the Board of Trustees and shall follow adopted procedures and set of criteria.

Procedure 5.3. The distribution of funds through grant competition shall follow ARELLO Foundation Grant Application Guidelines outlining the grant application process, criteria for evaluation, and reporting requirements.

Procedure 5.4. Grant competitions shall be utilized to fund education and/or research projects which:

- a. are directly related to real estate regulation among ARELLO member jurisdictions;
- b. may be directed at a specialized area of real estate not applicable to all member jurisdictions;
- c. benefit a majority of the ARELLO membership and do not focus on a single jurisdiction issue; and

d. present new or updated information on current and future real estate issues.

Procedure 5.5. Eligible to participate in grant competitions are:

- a. ARELLO Standing Committees
- b. An ARELLO member jurisdiction
- c. Non-profit public and private education institutions
- d. Non-profit real estate associations, societies and organizations
- e. Other organizations at the discretion of the Board of Trustees

Procedure 5.6. The Foundation may provide direct funding or sponsorship for education programs and activities offered to ARELLO membership at any regular ARELLO meeting and/or conference open to all members.

Procedure 5.7. Foundation funds may not be used for direct funding or sponsorship of: a. social events at ARELLO meetings/conferences or events of real estate related associations, societies or organizations except to cover Foundation fundraising event costs; or
b. events whose main objective is to promote ARELLO as an organization; or
c. any ARELLO member's attendance to ARELLO meetings/conferences or d. events of real estate related associations, societies or organizations.

POLICY 6. FINANCIAL POLICY

The Board of Trustees shall manage and account for all funds of the Foundation within the framework of the budget.

Procedure 6.1. Beginning in 2016, the Board of Trustees shall adopt an annual budget to consist of projected revenues and operating expenses. The revenue shall include, but not limited to, investment income, donations, and fundraising income.

Procedure 6.2. For financial reporting and tax purposes, the Foundation fiscal year starts January 1 and ends December 31 of each calendar year.

Procedure 6.3. The Secretary/Treasurer shall manage the expenses so that the total amount does not exceed the amount budgeted for each fiscal year.

Procedure 6.4. The Secretary/Treasurer shall prepare and present to the Board of Trustees a quarterly report with itemized revenue and expenditure, an overview of meeting goals, areas of deficiencies and reasons for not meeting the projected goals.

POLICY 7: INVESTMENT POLICY

For the purpose of effective management of the Foundation funds the Board of Trustees shall adopt an Investment Policy.

Procedure 7.1. To effectively manage the funds held separately from operating funds, reserves and other restricted accounts, the Foundation Board of Trustees shall adopt separate investment policies for the Endowment Investment Fund and the Endowment Administrative Fund.

Procedure 7.2. The investment policies shall be reviewed annually by the Board of Trustees and adjusted, if necessary, to accurately reflect the current financial market conditions.

POLICY 8. ADMINISTRATIVE POLICY

The Foundation shall implement an administrative policy in compliance with laws, rules, and regulations for the purposes of achieving the goals and objectives, and promoting operational efficiency and effectiveness.

Procedure 8.1. The Foundation may utilize the staff and resources of ARELLO to carry out the day to day operations.

Procedure 8.2. ARELLO shall provide a good-faith estimate of annual charges to the Foundation Secretary/Treasurer prior to the finalization of the Foundation budget.

Procedure 8.3. ARELLO will equitably assess the costs to the Foundation for all administrative services. The equitable distribution of costs shall be determined either by direct time tracking or a percentage of the Foundation's portion of overall costs, whichever is more appropriate.

Procedure 8.4. The administrative services costs may include staff time to do work specific to the Foundation, staff travel required for Foundation work, financial audit charges, rent, office supplies, and others as deemed necessary for the operation of the Foundation.

Procedure 8.5. Foundation Secretary/Treasurer will maintain all records of the Foundation and shall provide adequate security to protect those records.

Procedure 8.6. Foundation records must be made available for review at the request of the Board of Trustees or any authorized entity.