Healthy Organization

Financial Oversight

MONTGOMERY REAL-TIME NEWS

Former executive director of Alabama career education organization pleads guilty to $2.9M embezzlement

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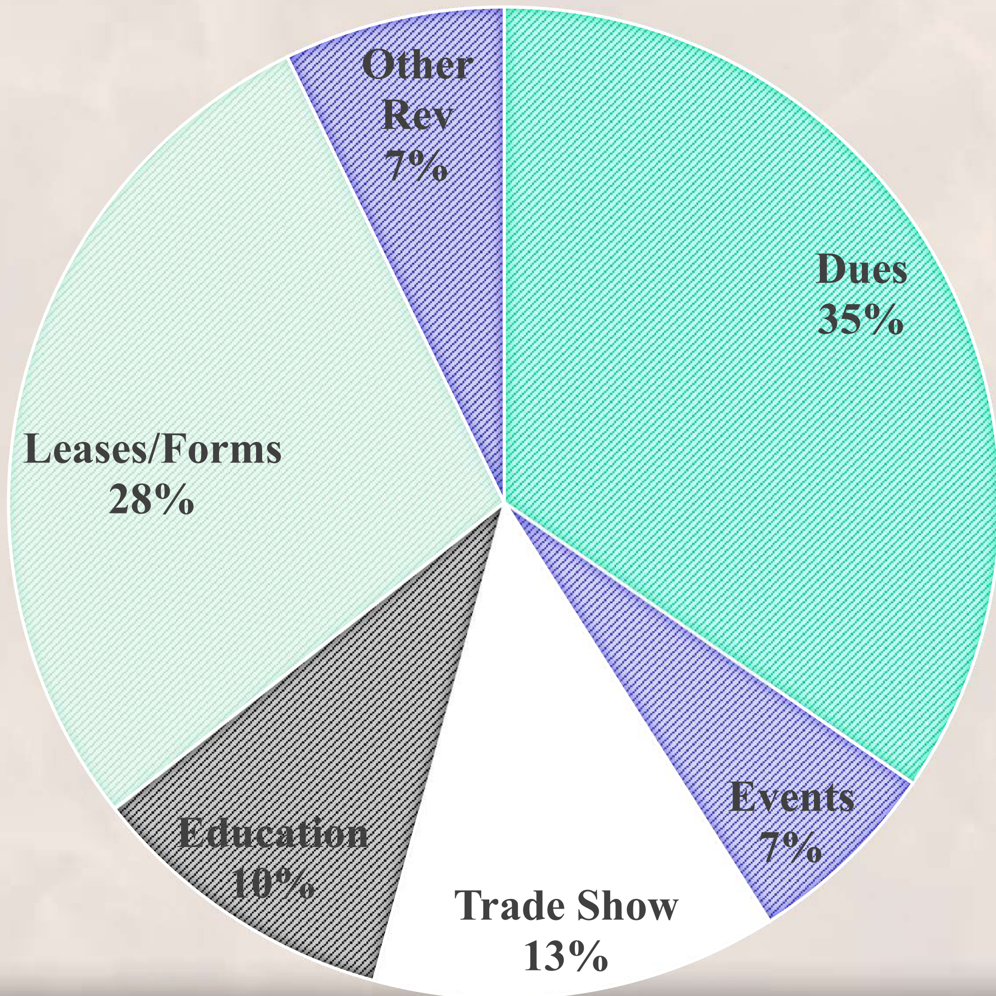
The former executive director of a Montgomery-based career and technical education organization pleaded guilty Thursday to embezzling funds and failing to send employees' payroll taxes to the IRS, causing a loss of nearly $3 million, prosecutors announced Friday.

Under a plea agreement with federal prosecutors in Montgomery, Doris Gilmore, the 61-year-old former executive director of the Association for Career and Technical Education, or ALACTE, admitted to embezzling ALACTE funds in 2020 and failing to send payroll taxes withheld during the first quarter of 2022.

Diversity of Income Streams

Assets 1-24
$9,438,852



Be innovative and entrepreneurial to generate new revenue streams.

USTA NORTH CAROLINA

RCH CAE RobertCHarris,CAE

Financial Protections

- Annual Budget
- Receipt – Check Signing
- Savings (ratio)
- Financial Reports
- Audits
- IRS Form 990

RATIOS

Ratios are a way to compare important data. Directors should be aware and monitor the ratio of budget to savings, as well as ratio of dues to non-dues

REVENUE SOURCES

Member Dues / Non-Dues	50/50

- Advertising
- Sponsorship
- Endorsements / Royalties
- Trade Show / Expo
- Interest
- Product Sales
- Education, Meetings

11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	**11a**
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990	

BOARD RESPONSIBILITIES©

Serving on the Board of Directors is a rewarding and important responsibility. This guide informs leaders of the unique aspects associated with governing a volunteer, membership organization.

BOARDS GOVERN STAFF MANAGE

Govern More – Manage Less!

Governance: Volunteer leaders are responsible for the direction of the organization. The board governs, develops policy and sets a course. The mission statement should frame all discussions. Purposes of a board of directors:

- Governance
- Policy & Position Development
- Visionary – Future Focus
- Fiduciary

Management: Staff are responsible for administration of the organization. Staff *partner* with the board to advance goals and strategies, while taking care of the daily administrative needs unique to nonprofit organizations.

Unique Terminology

Not-for-Profit refers to the legal corporate status of the organization. (It does not imply an exemption from paying or collecting *state sales tax*.) **Nonprofit** is the casual reference to Not-for-Profit

Exempt Organization is a reference to the IRS designation exempting the organization from paying most federal income tax (with exception of **UBIT** - **Unrelated Business Income Tax**.) The most common exempt designations:

IRS 501(c)(3) often refers to organizations with a religious, charitable, scientific or educational purpose.

IRS 501(c)(6) refers to trade associations, business leagues and professional societies.

Board Responsibilities

1. Determine and advance the organization's mission and purposes.
2. Select the chief paid executive *(not staff)* as well as CPA and attorney.
3. Support the chief executive and assess performance in the organization (i.e. budget, goal achievements, etc.)
4. Conduct organizational planning.
5. Ensure adequate resources (funds, time, volunteers, staff, etc.)
6. Resource and financial oversight.
7. Determine, monitor and enhance programs and services.
8. Promote the organization.
9. Ensure legal and ethical integrity and maintain accountability.
10. Develop future leaders.

(Adapted from Ten Responsibilities of Nonprofit Boards www.BoardSource.org.*)*

Good Governance

Scrutiny has increased on nonprofits from media, government and members. More recently the IRS has focused on organization governance and policies. Boards are expected to be accountable, independent and transparent.

Policy questions in IRS Form 990 include:

- Audit and Audit Committee
- Whistleblower
- Compensation
- Document Destruction
- Conflict of Interest
- Public Records
- Board and Committee Minutes

Insurance and Volunteer Immunity

State and federal governments afford certain protection to volunteer leaders. While the volunteer may have some protection, the organization is still open to legal suits. Insurance coverages add further protection

Directors and Officers (D&O) Liability may cover legal defense for employment, copyright, and antitrust claims, for instance.

General Liability insurance covers property damages and injuries relating to the organization.

Fidelity Bond covers losses resulting from fraudulent or dishonest acts committed by an employee.

Meeting Cancellation covers the loss of revenue due to a cancellation, curtailment, postponement because of weather, strikes, etc.

(Contact legal and insurance counselors for assistance.)

Legal Principles

Duty of Care requires leaders to use reasonable care and good judgement in making their decisions on behalf of the interests of the organization.

Duty of Loyalty requires leaders to be faithful to the organization, avoiding conflicts of interest.

Duty of Obedience requires leaders to comply with governing documents (i.e. bylaws, articles of incorporation, policies, etc.)

Board Tools

Documents available to leaders, often in a ***Leadership Manual*** or board portal.

- Statement of Purpose (Mission)
- Articles of Incorporation
- Bylaws
- Policy Manual
- Strategic Plan
- Financial Statement - Budget
- Meeting Minutes
- Organizational Charts
- IRS Form 990

Treat board discussions and documents with *confidentiality*.

Rules of Order

Quorum is the minimum number of directors required to conduct business.

Agenda ensures that important business is covered and discussions are on topic.

Motions are proposals for action, beginning with, "I move we......:"

A **Second** is required for the motion to be discussed.

Amendments may be made to most motions if they improve the intent or clarify the original motion.

Tabling lays the motion aside.

Calling the Question refers to ending the discussion and voting on the motion.

Voting is the official action after discussion to adopt, amend, kill or table the motion.

Minutes protect the organization by recording the time and location of the meeting, participants, and the outcome of the motions. They are not a place to record conversations, assignments, reports, etc. Audio and video recordings are discouraged.

Recommended: *"ABC's of Parliamentary Procedure" www.channing-bete.com*

Committees

Committees supplement board and staff work. Organizations are streamlining or eliminating all but essential committees; aligning them with goals in the strategic plan. Short assignments are preferred.

Standing - identified in the bylaws, appointed annually, on-going committee work.

Ad Hoc - formed for specific or immediate needs and disbanded upon completion of work (a.k.a. **Task Force**)

Quick Action Team – very short term, precise call for volunteers.

Micro-Tasks – opportunities to engage members on brief projects.

Environmental Influences

Directors should be aware of member and environmental concerns and influences, for example:

- Regulatory Threats
- Economy, Employment
- Relevance, ROI
- Technology Advancements
- Generational Diversity
- Governance Adaptability, Structure

MISSION DRIVEN MEMBER FOCUSED

Guiding Principles

Organizational values develop over time that guide the board, for example:

- Transparency
- Accountability
- Respect, Diversity
- Innovation
- Member Focused
- Integrity
- Outcome Driven

Strategic Planning

A strategic plan focuses the board on mission and goals for 3 to 5 years. It serves as a roadmap.

Board members should be able to think beyond their term of office.

Environmental Scan – Review of external and internal influences on organization, as well as strengths, weaknesses, opportunities and threats *(SWOT)*.

Mission – Purpose for existence; concisely stated.

Vision – Inspiring statement of image of success.

Values – Guiding principles of board and staff.

Goals – The priorities to advance the mission. Usually 3 to 7 goals so as not to deplete resources.

Strategies – Fresh and continued approaches to achieve the mission and goals.

Tactics/Performance Measures – Delegation, deadlines, accountability and metrics.

Business Plan – Break down the strategic plan into a one year action plan.

Plan Champion – A director assigned to monitor and report on plan progress.

Risk Management

Be aware of potential risks and ways to reduce or avoid.

Public Records requests for the organization's annual federal tax return (Form 990) must be made available for the last three years. Significant fines occur for noncompliance.

Antitrust Violations occur when two or more persons from the same industry or profession discuss suppliers, processes, prices or operations. Remove yourself from any conversation that would change how business is conducted because of an agreement among competitors.

Apparent Authority arises when a board chair, though *not* granting actual authority, permits directors, committees or chapters to behave as if they have authority. Authority rests with the chief elected officer and may not be usurped.

Financial Audits by an independent financial expert to assets; appoint an audit committee to oversee and report on the process.

Conflicts of Interest disclosed at the start of the term and throughout the year.

Board Responsibilities - Laminated ©
$12 ea. or $10 ea. for 2 or more + s/h
Payable: Harris Mgmt Group, Inc.
335 Beard St., Tallahassee, FL 32303
Or e-mail quantity to bob@rchcae.com

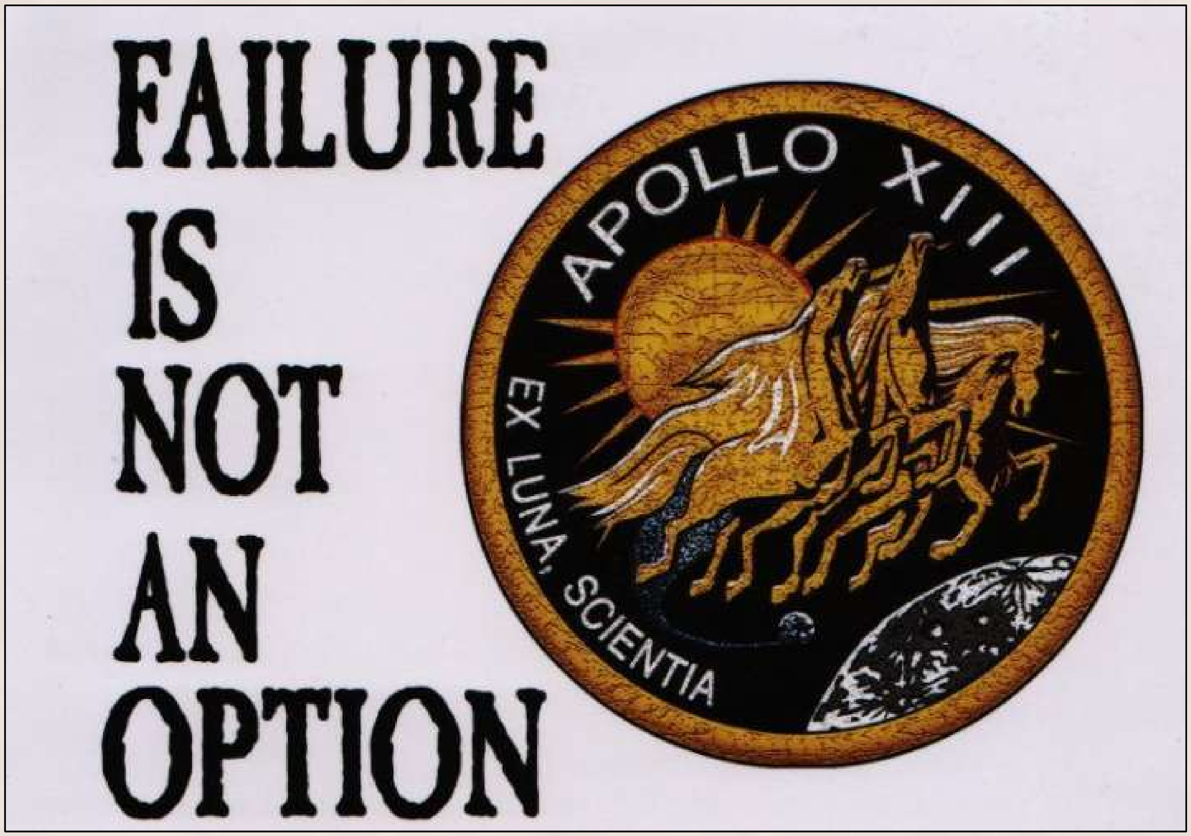
Also available, laminated:

- ✓ **Committee Responsibilities**
- ✓ **Guide to Strategic Planning**

Seminars and Consulting

- Strategic Planning
- Board Orientation
- Operational Audits; Systems
- International

Bob Harris, CAE 6-16 © RCH



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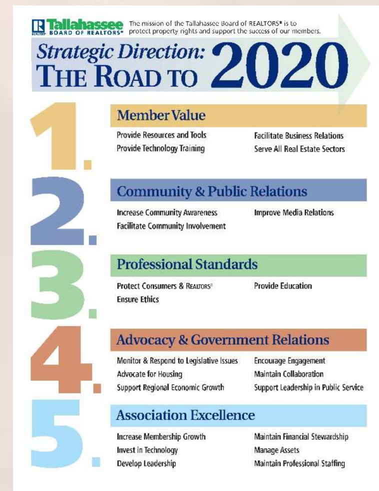
Pop Up Banner at Meetings



Tallahassee BOARD OF REALTORS®

The mission of the Tallahassee Board of REALTORS® is to protect property rights and support the success of our members.

Strategic Direction: THE ROAD TO 2020

1. Member Value

- Provide Resources and Tools
- Provide Technology Training
- Facilitate Business Relations
- Serve All Real Estate Sectors

2. Community & Public Relations

- Increase Community Awareness
- Facilitate Community Involvement
- Improve Media Relations

3. Professional Standards

- Protect Consumers & REALTORS®
- Ensure Ethics
- Provide Education

4. Advocacy & Government Relations

- Monitor & Respond to Legislative Issues
- Advocate for Housing
- Support Regional Economic Growth
- Encourage Engagement
- Maintain Collaboration
- Support Leadership in Public Service

5. Association Excellence

- Increase Membership Growth
- Invest in Technology
- Develop Leadership
- Maintain Financial Stewardship
- Manage Assets
- Maintain Professional Staffing

nysar

New York State Association of REALTORS®, Inc.

STRATEGIC PLAN 2018-2020

OUR MISSION

NYSAR advocates for REALTORS® and their consumers, elevates professional competence, seeks local board collaboration and promotes the value of REALTOR® membership and engagement.

OUR VISION

NYSAR is the indispensable business partner for real estate professionals and local boards/associations in New York State.

ADVOCATE

NYSAR is the most trusted and influential advocate for real estate business interests and private property rights in New York State.

We will:

- Proactively develop and expand opportunities to address local regulatory and legislative issues in partnership with local associations.
- Fully utilize REALTOR® Party resources.
- Engage consumers in our grassroots advocacy efforts.

ELEVATE

NYSAR continually raises the bar of professionalism for New York brokers, agents, appraisers and REALTOR® associations.

We will:

- Deliver timely, innovative and market-driven education programs that expand member's business skills, promote risk management and increase professional competence.
- Work with local boards to ensure an effective and compliant professional standards enforcement program that includes regional and statewide options.
- Expand and strengthen our cooperative leadership development efforts.

ENGAGE

NYSAR engages with industry partners and consumers in order to create timely programs and services that meet the demands of a rapidly evolving marketplace.

We will:

- Gather and analyze more robust member, consumer and market data to better meet the business needs of brokers, agents, associations and MLSs.
- Develop opportunities for brokerages, local associations and MLSs that strengthen cooperation and promote mutually beneficial relationships.
- Expand partnerships with regional industry and advocacy organizations.

PROMOTE

NYSAR promotes its unique value and the value of the REALTOR® brand to consumers, members and licensees.

We will:

- Be the "Voice for Real Estate," positioning NYSAR as the preeminent source of information on market data and trends thus elevating member and consumer perception of REALTOR® value.
- Reinforce our value proposition to members and utilize NAR resources to support and strengthen the perception of the REALTOR® brand.
- Promote careers in real estate and the value of being a REALTOR®.

New York State Association of REALTORS®
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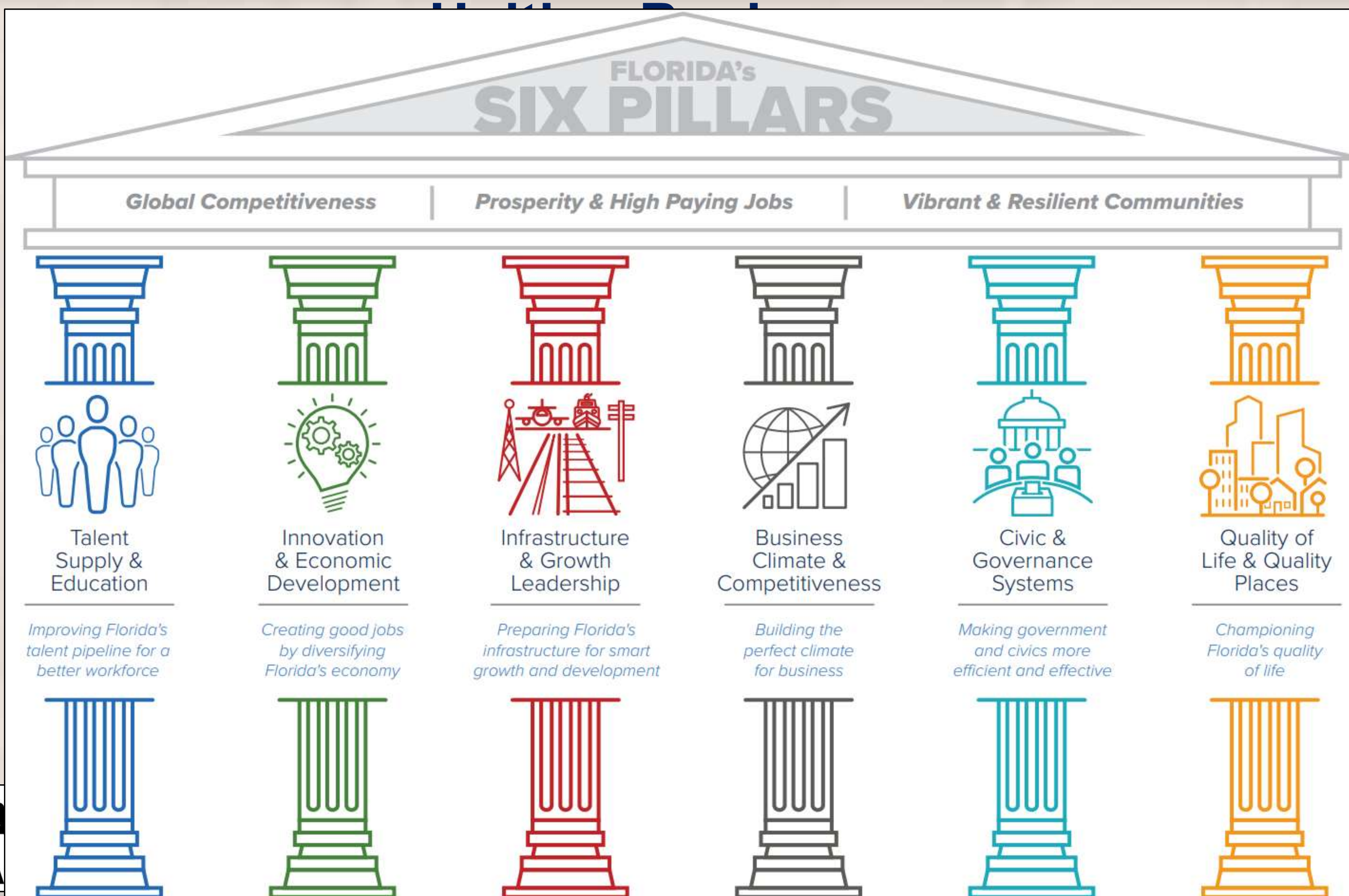
FLORIDA's
SIX PILLARS
Global Competitiveness
Prosperity & High Paying Jobs
Vibrant & Resilient Communities
Talent Supply & Education
Improving Florida's talent pipeline for a better workforce
Innovation & Economic Development
Creating good jobs by diversifying Florida's economy
Infrastructure & Growth Leadership
Preparing Florida's infrastructure for smart growth and development
Business Climate & Competitiveness
Building the perfect climate for business
Civic & Governance Systems
Making government and civics more efficient and effective
Quality of Life & Quality Places
Championing Florida's quality of life

The Governance Model

1. Stay in Your Lane

2. Adhere to the Guardrails

3. Follow the Roadmap

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