



POLICIES & PROCEDURES MANUAL

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Foundation Appraisers Coalition of Texas

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Policies & Procedures

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Policies & Procedures

POLICIES

Policies approved by the Board of Directors shall be those rules and regulations which deal with the administrative and operational aspects of the Corporation. Such policies shall be in harmony with the Bylaws and serve to clarify and implement the Bylaws. These policies shall be adopted, amended or rescinded by a two-thirds (2/3) vote of the Board of Directors.

- Foundation Appraisers Coalition of Texas, Inc. (FACT)
- Policies Approved by the Board of Directors
- Adopted February 18, 2012

The following Policies shall be binding on the membership. Changes in Policies must be submitted to the Board of Directors for approval.

Section I. Governance

A. General Operating Policy

The Corporation will undertake only those activities consistent with its purposes as stated in the Bylaws.

B. Role of Board of Directors

The Board is the Trustee of the Corporation and therefore has legal and fiduciary responsibilities which must be adhered to. Accordingly;

1. The Board and each member should be loyal to the Corporation and act in good faith and in the best interest of the Corporation for the long term.
2. The Board and each member should manage the Corporation in compliance with the Corporation's Bylaws, these Policies and Procedures and any laws pertaining to the Corporation's activities.
3. The Board is ultimately accountable for both the financial management and the financial development of the Corporation.
4. The Board is ultimately accountable for the work done by staff and volunteers on behalf of the Corporation.

C. Board Job Description

The Board will govern with an emphasis on advancing the purpose of the Corporation. Accordingly, the Board will:

1. Provide a link with the membership.
2. Deliberate in many voices, but govern in one.
3. Develop and share a sense of group responsibility.
4. The Board will use the expertise of individual members to enhance the ability of the Board as a whole.
5. Direct, sustain and protect the Corporation through the careful establishment of broad written policies that reflect the Corporation's expectations and values.
6. The Board's major policy focus will be on the intended long term impacts outside the operating organization, not on the method used to accomplish those goals, and will focus on the benefits, outcomes, recipients and costs.
7. Monitor and discuss the Board and the Corporation's performance.
8. Performance will be judged based on adherence to established policies.
9. Form ad hoc committees, project teams, and task forces as necessary.



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D. President's Role

1. The President assures the integrity of the Board's process and, secondarily, represents the Corporation to the community.
2. The President has responsibility to see that the Board performs its task consistently with the Policies and Bylaws of the Corporation and operates within the confines of any legal constraints.
3. Meeting discussion content will be primarily those issues which, according to Board policy, clearly belongs to the Board to decide, not the committees.
4. Deliberation will be fair, open and thorough but also timely, orderly and kept to the point.
5. The authority of the President consists of making decisions that fall within the topics covered by Board policies except where the Board specifically delegates portions of this authority to others.
6. The President is empowered to chair and set agendas for Board meetings, with all the commonly accepted power of that position.
7. The President or other designated person(s) may represent the Board and membership as the official spokesperson of the Corporation to outside parties.
8. The President may delegate this authority, but remains accountable for its use.
9. The President signs all contracts and agreements.
10. Originals of all contracts and agreements must be kept in the Corporation's permanent files.
11. The President supervises the Corporation's contractors. Annual performance reviews of the Corporation's contractors are conducted by the President based on reviews/recommendations made by the Executive Committee.

E. Role of Individual Board Members

Board members will demonstrate a commitment to the Corporation and will advance the purpose. Accordingly, a Board member will:

1. Establish attendance at all Board meetings and related activities as a high priority.
2. Be prepared by having reviewed the agenda and read all background material relevant to the meeting in order to contribute to the discussion of issues and business to be addressed.
3. Respect the opinions of his/her peers serving on the Board and leave personal prejudices out of all Board discussions.
4. Always act for the good of the Corporation and represent the Corporation in a positive and supportive manner.
5. Positively support the legitimacy of a Board decision even if he/she voted against it.
6. Submit relevant material to the President prior to distribution of the Board packet.
7. Represent the Corporation at functions and events as requested by the President.

F. Board Members' Code of Conduct

1. The Board commits itself and its members to ethical, businesslike, and lawful conduct, including proper use of authority and appropriate behavior when acting as Board members.
2. Board members must have loyalty to the membership as a whole.
3. Board members must avoid conflict of interest with respect to their fiduciary responsibilities.
4. There shall be no self promotion or business by a Board member and the Corporation.
5. When the Board is to decide upon an issue about which a Board member has an unavoidable conflict of interest, that Board member shall withdraw himself/herself from the deliberation and the vote.

6. Board members must not use their positions to obtain Corporation employment for themselves, family members, or close associates.
7. Board members will at least annually disclose their involvement with other organizations, vendors, or any other associations that might produce a conflict.
8. Board members may not attempt to exercise individual authority over the Corporation and staff except as explicitly set forth in policies.
9. Board members will respect the confidentiality appropriate to issues of a sensitive nature.

G. Board Meetings and Membership Meetings

1. Board meetings and membership meetings will be held to accomplish the task of governing the Corporation.
2. The governance will be consistent with Board policies.
3. The Board will adhere to agenda items as closely as possible.
4. Agendas and background support materials relevant to the meeting will be distributed by the President for review prior to the scheduled meeting.
5. Board meetings will be held at least twice annually and additionally as called by the President.
6. Regular Board meetings will be open to all members.
7. An annual membership meeting will be conducted as established by the Board of Directors.

H. Monitoring Performance

1. Systematic and rigorous monitoring of the Corporation's performance will be completed biannually during non legislative years.
2. Monitoring will determine the degree to which the Corporation is meeting its purpose and determine areas of improvement.
3. The Board shall acquire monitoring data including but not limited to the following methods:
 - a. Financial evaluation and evaluation of fundraisers.
 - b. Audited or reviewed financial statement(s) from an outside independent accountant.
 - c. Review of current policies and procedures.
 - d. Incoming Board review of current policies and procedures.
 - e. Annual performance review(s) of Corporation contractors.

I. Transition Management

Viable methods will be implemented for the transition of knowledge and experience held by each member with a special emphasis on the knowledge transfer from committee chair to committee chair, Board member to Board member, and Officer to Officer. Accordingly, transition management will be conducted utilizing the following methods:

1. Periodic reports to be submitted to the President by each committee chair.
2. Joint Executive Committee meeting to transition positions by passing on procedure notebooks and other pertinent documents and to gain information pertaining to the operation of the Corporation.
3. Board member transition meeting to be conducted by each Board member with his/her successor to transition positions by passing on procedure notebooks.
4. Committee chair transition meeting to be conducted by each committee chair with his/her successor to transition positions by passing on procedure notebooks.



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J. Committee Accountability

The Committees are the Board's primary link to the Corporation's performance and conduct. The Committees are accountable for their actions which shall be reviewed periodically by the Board. Accordingly;

1. Committees will review their respective goals and action plans.
2. Committees will evaluate volunteer and financial resources needed to operate adequately.
3. Committees will update Procedures and will make Bylaw and/or Policy change recommendations to the Board.
4. Committees will submit the appropriate accountability reviews to the President.

K. Conflicts of Interest

1. Every member shall be sensitive to potential conflicts of interest which may exist or arise as a result of coexisting loyalties to the Corporation and other interests (financial, professional, affiliations with other organizations, or relationships with individuals).
2. Any member who participates in any committee in which a potential conflict of interest related to distribution of funds or business transactions exists will immediately disclose such interest and will remove himself/herself from discussions and voting related to such issue.
3. If at any time a member believes that another member of the Board or a Committee has failed to disclose a conflict of interest as required by these policies, it is the duty of the first member to inform the President of the conflict believed to exist. The President will discuss the potential conflict of interest with the member alleged to have the conflict of interest to determine if a conflict exists, and to have the member disclose the conflict if it does exist.

Section II. Membership

A. Categories of Membership

Chapter Members

All Sponsor Chapter organizations listed in the Bylaws are automatically members of the Corporation and shall remain eligible without the application or admission process. Chapter Members are individuals with membership in one or more of the Texas chapters of Sponsor Chapters.

a. Eligibility

Any nationally accredited appraisal organization which has one or more Texas chapters may be eligible for Chapter Membership in the Corporation

b. Application

A letter of request must be submitted to the Executive Committee by each Texas chapter wishing to gain membership in the Corporation.

1. The letter of request must include the chapter's accreditation.
2. The letter of request must include contact information for the chapter as well as its organization's contact information.
3. The letter must provide a current list of appraisers who would be sponsored by the Texas chapter.

c. Admission

1. The President may appoint a project team to study the application.
2. Verification of the accreditation of the organization must be made.
3. The list of appraisers provided in the application may be verified to ensure that they are of good moral character and are in good standing in the appraisal community.
4. A recommendation must be made to the Board of Directors for approval by a majority vote.
5. Dues are assessed by the Board upon approval.



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d. Tenure

The term of a Chapter Member shall not require annual renewal so long as the Chapter Member remains qualified and has not been terminated pursuant to other sections of the Bylaws.

e. Privileges

1. Two (2) Chapter Member individuals shall be designated by their Sponsor Chapter to represent the Sponsor Chapter on the Corporation's Board of Directors.
2. A Chapter Member representative shall have one (1) vote per representative on the Corporation's Board of Directors.
3. Each individual Chapter Member of the Sponsor Chapter in good standing shall be entitled to one (1) vote on all matters coming before the general membership.

Individual Members

a. Eligibility

1. The Individual Member must not be a Chapter Member.
2. The Individual Member must be of good moral character and in good standing in the appraisal community.

b. Application

1. A completed application must be submitted to the Executive Committee by each individual wishing to gain membership in the Corporation.
2. The application must include the individual's valid Texas appraiser license or certification.
3. The application must include one year's dues.

c. Admission

1. The President may appoint a project team to study the application.
2. Verification of the information provided in the application must be made.
3. A recommendation must be made to the Board of Directors for approval by a majority vote.

d. Tenure

The term of an Individual Member shall be annually renewable, so long as the Individual Member remains qualified and has not been terminated pursuant to other sections of the Bylaws.

e. Privileges

1. The Individual Member in Good Standing shall be entitled to one (1) vote on all matters coming before the general membership.
2. One (1) Individual Member shall be nominated by the Executive Committee and approved by the Board of Directors to represent all Individual Members as the at-large Director to the Corporation's Board of Directors.
3. The at-large Director shall have one (1) vote on the Board of Directors.

Affiliate Members

a. Eligibility

Any legal person shall be eligible to be an Affiliate Member of the Corporation.

b. Application

A completed application must be submitted to the Executive Committee by each individual wishing to gain Affiliate Membership in the Corporation and must include one year's dues.

c. Admission



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1. The President may appoint a project team to study the application.
2. A recommendation must be made to the Board of Directors for approval by a majority vote.

d. Tenure

The term of an Affiliate Member shall be annually renewable, so long as the Affiliate Member remains qualified and has not been terminated pursuant to other sections of the Bylaws.

e. Privileges

1. The Affiliate Member shall have no voting privileges on matters coming before the general membership.
2. The Affiliate Member shall have no representation on the Board of Directors.
3. The Affiliate Member shall have no voting privileges on the Board of Directors, may not hold office and shall not be a member of the Corporation's Executive Committee or Board of Directors.

B. Dues Required

1. Annual dues shall be levied on all classification of membership.
2. Dues are due January 31st of each calendar year.
3. Chapter Member dues shall be paid by the Sponsor Chapter.
4. Individual Member dues shall be paid by the Individual Member.
5. Affiliate Member dues shall be paid by the Affiliate Member.
6. At the first regular meeting of each calendar year of the Board of Directors, membership dues shall be set for each category of membership for the following calendar year.

C. Members' Code of Conduct

1. Members are expected to conduct themselves in an ethical, professional and reasonable way.
2. Members are also expected to work with others in a courteous, cooperative and respectful manner.
3. Inappropriate behavior, including insubordination or any acts that may be injurious to the reputation of the Corporation or may incur liability to the Corporation, is cause for disciplinary action including reprimand, loss of privileges and termination.

D. Discipline of Members

Cause for discipline:

1. A member shall be disciplined for cause.
2. A two-thirds (2/3) vote by the Board of Directors of the Corporation recommending discipline for a member denotes dissatisfaction on the part of the Board with the conduct of the member and commences the process of discipline. Members may be subject to discipline for the following offenses:
 - a. Failure to abide by federal, state and local laws and ordinances;
 - b. Conduct unbecoming a member of the Corporation;
 - c. Failure to comply with the Corporation's Bylaws, Policies or Procedures established by the Board;
 - d. Disloyalty to the Corporation or the principle of the Corporation as noted in the purpose;
 - e. Debts owed to the Corporation; or
 - f. Failure to comply with the regulations and purposes of the Corporation.



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Process:

1. Discipline of members shall be handled by the Executive Committee.
2. Although each incident of a reported violation shall be evaluated on its own circumstances, every effort shall be made to follow a process and provide a fair and consistent evaluation with respect to how violations are reported and addressed. All proceedings of the Executive Committee shall be strictly confidential.
3. Violations may be reported to any member of the Executive Committee.
4. A representative of the Executive Committee shall contact the member reporting the violation and the member alleged to have committed the violation for clarification.
5. The Executive Committee will consider all relevant information which may result in no action or a request to interview the member alleged to have committed the violation. If the member declines or is not responsive to the opportunity for an interview, the member shall have waived the right to be heard.
6. Following an investigation of the member alleged to have committed the violation, the Executive Committee by a majority vote may take the following action:
 - a. No action shall be taken and the member shall be notified.
 - b. A written reprimand shall be placed in the Corporation records and the member shall be notified.
 - c. Recommendation to the Board of Directors for termination of membership from the Corporation.
 - d. The Secretary will notify the member by certified letter of any recommended status change.
7. All disciplinary decisions shall be final.

E. Member in Good Standing

A member who meets the eligibility requirements of his/her category of membership, has paid the annual dues, adheres to the Members' Code of Conduct and is not currently receiving or under investigation for disciplinary action by the Executive Committee is considered a member in Good Standing.

Section III. Standing Committee Duties

A. Fundraising Committee

The function of this committee shall be to execute specific fundraising activities of the Corporation as approved by the Board of Directors.

B. Membership Committee

The function of this committee shall be to recruit members, provide training and development of members for leadership, organize and supervise volunteer participation and handle membership issues.

C. Public Relations

The function of this committee shall be to build good internal and external public relations for the Corporation. Positive external relations shall be developed by educating the community and generating interest and support for programs offered by the Corporation through the appropriate use of electronic and print media and verbal communication. Positive internal relations shall be developed by promoting activities and accomplishments of the Corporation to the membership.

D. Legislative Management Committee

The function of this committee shall be to oversee the monitoring of potential legislation and make recommendations to the Board of Directors for any legislation deemed necessary to advance the purpose of the Corporation. This committee shall report on activities pursuant to issues of interest and aid in the writing of legislation.

E. FACTPAC Contribution Decision Making Committee

The function of this committee shall be to serve as the Trustees of the FACTPAC {defined herein as Trustees} and to oversee the contributions paid and compliance with the Texas Ethics Commission.



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Section IV. Meetings

A. Regular Executive Committee meetings shall be scheduled by the President or by any two (2) other members of the Executive Committee at least once per calendar quarter. Meetings of the Executive Committee may be held either in person or by interactive technology, provided Officers participating in the meeting can communicate with one another. Interactive technology includes but is not limited to conference telephone, electronic transmission, Internet usage, or remote communication. Action taken at a meeting held via interactive technology shall be as effective as if the Officers had met in person.

B. Regular Board of Directors' meetings shall be scheduled by the President to include one meeting in person in the spring and one meeting in person in the fall, unless otherwise notified. Annually, the Board of Directors shall specify one (1) in-person meeting to be set aside as the Annual Meeting of the members. The Annual Meeting of the members may coincide with a regular meeting of the Board of Directors'.

C. Special meetings of the Board of Directors may be held either in person or by interactive technology, provided Directors participating in the meeting can communicate with one another. Interactive technology includes but is not limited to conference telephone, electronic transmission, internet usage or remote communication. Action taken at a meeting held via interactive technology shall be as effective as if the Directors had met in person.

Section V. Communications

A. It is the policy of the Corporation to keep its members and the community well informed about the purpose and community involvement of the Corporation. Internally, this is accomplished through the newsletter, the FACT website, social media or in person. Externally, this is accomplished through the FACT website and the Public Relations Committee.

B. To help the membership and community better understand the purpose of the Corporation, all communications should strive to promote the Corporation purpose.

C. The Board of Directors shall endeavor to protect the name "Foundation Appraisers Coalition of Texas, Inc." and all copyrighted or trademarked names or materials from misuse and shall take all action which may be advisable to that end. The official name of the Corporation, Foundation Appraisers Coalition of Texas, Inc., shall be used in all correspondence, statements, and publicity connected with the business of the Corporation.

D. The President (or other person designated by him/her) is the official spokesperson of the Corporation. Members, agents and contractors of the Corporation shall not give out any public statement concerning the Corporation or its activities without approval of the Public Relations Chair or the President.

Section VI. Finance

A. Use of Corporation Funds

The Corporation is not primarily a fund-raising organization and does not raise funds for other organizations.

1. Memorial Contributions

From circumstances in which a memorial contribution for purposes of Public Relations is deemed imperative, an amount within the current budget approved by the Executive Committee shall be contributed.

2. Payment for Services Rendered

The Corporation may pay for services rendered by individuals by one of the following methods:

- a. A prearranged fee
- b. Reimbursement of incurred expenses
- c. Gift, donation or honorarium



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3. Gifts

Corporation funds may not be used for internal tokens of appreciation by committee chairs, officers, or committees. Exceptions to this rule are line item budgeted funds.

4. Fundraising Activities

Fundraising activities are not automatically continued, but are reviewed annually by the appropriate committee to assess continued interest and financial soundness, and are voted on annually by the Board of Directors.

5. Compensation for Contracted Individuals or Entities

The Executive Committee may set compensation for contracted individuals or entities in accordance with the approved annual budget. If the compensation is in excess of the annual budget allocation, a two-thirds (2/3) vote of the Board of Directors will be required.

B. Financial Operations

1. Banking Practices

- a. The Corporation shall maintain relationships with insured financial institutions in any of the following types of accounts:
 - i. Checking
 - ii. Savings
 - iii. Money Market
 - iv. Certificates of Deposit
- b. Bank account balances must be limited to federally insured amounts not to exceed \$95,000. All moneys should be deposited with financial institutions that are members of the Federal Deposit Insurance Corporation (FDIC) or Securities Investor Protection Corporation (SIPC) and in an amount not to exceed the financial institution's insurance limit unless any uninsured amount is secured by risk of free assets of the financial institution.
- c. Priority in banking relationships will be given to institutions that support the Corporation with financial donations.
- d. Signature cards should include the title of the account and will be signed by the following individuals
 - i. General Fund - President, Vice President and Treasurer
 - ii. FACTPAC - FACTPAC Treasurer
 - iii. Checks in amounts under \$1,000 require one signature. Checks in the amount of \$1,000 and over require two signatures, unless the expenditure is a budgeted amount.
- e. The Treasurer, based on analysis of cash needs and return on investment, is authorized to move funds to higher interest bearing accounts.
- f. All checks/transfers must be made payable to FACT.
- g. The Treasurer shall not invest the Corporation's funds in any institution where he/she will benefit monetarily as a result of that transaction.

2. Financial Reporting

- a. The Treasurer shall present to the Board of Directors at each Board of Directors meeting the following: balance sheet, budget to actual report, reconciliation report for each cash account represented, brokerage and bank statements.
- b. The Treasurer shall notify the Board of Directors when the Form 990 and Form 1099's are filed, or if sales taxes are paid.



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3. Record Retention

- a. The Corporation will maintain financial records as follows:
 - i. Annual financial records including bank statements, receipts and invoices - seven (7) years
 - ii. General ledgers - permanent
 - iii. Audits - permanent
 - iv. Tax returns - permanent
 - v. Closing trial balance - permanent
- b. Financial records and files will be prepared each year and maintained by the Treasurer. At year end, the Treasurer shall cause to be shredded the files for the eighth (8) prior year after removing the general ledger and closing trial balance.

4. Reserve Fund

- a. The Corporation shall maintain an operating reserve of a minimum of six (6) months of expenses to assure sufficient funds in the case of unforeseen events.
- b. These expenses are defined as all administrative expenses, plus the following operating expenses: audit, legal and bank charges.
- c. The amount of this reserve shall be determined annually by the Treasurer and approved by the Board of Directors.

5. Corporate Credit Card

- a. A credit card will be maintained with a limit of \$1,000.00. The credit card will be managed and safeguarded by the Corporation's Executive Director.
- b. The credit card is to be used for small purchases, such as postage. On a monthly basis, the Treasurer will reconcile the credit card statement.

6. Credit Card Processing/Online Transactions

- a. The Treasurer shall select a service provider based on competitive processing fees and services and shall be approved by the Board of Directors annually by February 28.
- b. Credit card deposits and charges made to the operating bank statement shall be reconciled by the Treasurer monthly.

7. Internal Audit of Fundraisers

- a. An internal audit for each fundraiser will be conducted annually.
- b. The audit will be conducted by the Fundraising Committee who will report back to the Board of Directors at the next Board meeting following each audit.
- c. Fundraiser audits will be conducted within sixty (60) days of completion of the fundraiser.

8. Corporation Audit

- a. The Corporation shall use an independent certified public accountant.
- b. The Corporation shall immediately resolve any issues noted in the audit.



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Section VII. Terminology

A. Voting

The basis for determining a voting result shall be as follows:

1. Majority Vote

A majority vote means more than one half of the votes cast by those legally entitled to vote at a regular or properly called meeting at which a quorum is present.

2. Two-Thirds Vote

A two-thirds (2/3) vote means at least two-thirds (2/3) of the votes cast by those legally entitled to vote at a regular or properly called meeting at which a quorum is present.

3. Electronic Mail (e-mail) Voting

E-mail voting is allowed under the following circumstances:

- a. All members shall have access to the appropriate electronic media in order to convene an e-mail vote.
- b. All members are to respond to a call for an e-mail vote from the chair via the appropriate electronic media. This majority shall constitute the quorum for an e-mail vote and once established shall be assumed present until the e-mail vote is completed.
- c. All members do not have to be on line at the same time but must have full access to the electronic media used to distribute the motion.
- d. The technology used for the electronic mail vote shall allow members full access to and full participation throughout the specified time of the e-mail vote.
- e. The chair will notify the members that an e-mail vote is in process on the motion and the members are to send their electronic vote to the chair by date and time specified. The chair receives and tabulates the votes and makes an e-mail vote report to the members. Vote completed.
- f. The chair will not accept any votes not cast by date and time specified.
- g. The chair should print and file all votes cast in the chair's official binder as an official record of the e-mail vote.
- h. The chair shall ensure the ratification of the results of the e-mail vote at the next meeting where quorum is present.

Section VIII. General Provisions

The Board may authorize and the Corporation may make distributions, subject to any restrictions in the Bylaws or the Articles of Incorporation and limitations set forth in the Texas Business Organizations Code (TBOC). The Board shall make no distributions that inures to the benefit of any member of the Board or any member of any such Officer or Director's family. For purposes of this section, an Officer or Director's family shall include his or her spouse, ancestors, children, grandchildren, great-grandchildren and spouses of the Officer or Director's children, grandchildren or great-grandchildren.

The Board may make gifts and give charitable contributions in accordance with the stated purposes of the Corporation as set forth in the Articles of Incorporation and that are not prohibited by statute, the Bylaws, the Articles of Incorporation and any requirements for maintaining the Corporation's federal and state tax status.

The Board may authorize any Officer or Officers, or agent or agents of the Corporation, in addition to the Officers so authorized by the Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances, including, without limitations, contracts for administrative and other services in furtherance of the exempt purposes of the Corporation.



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All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board may select.

A. Conflicts of Interest

1. Purpose

The purpose of this conflict of interest policy is to protect the Corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an Officer or Director of the Corporation 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 business league organizations.

a. Interested Person

Defined as any Officer, Director or member of a committee with Board delegated powers, who has a direct or indirect financial interest, as defined below, in a contemplated or completed transaction is an interested person.

b. Financial Interest

Refers to a person having a financial interest if the person has, directly or indirectly, through business, investment, or family:

1. An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement;
2. A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or
3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that is not insubstantial. A financial interest is not necessarily a conflict of interest. Under subsection b. above, a person who has a financial interest may have a conflict of interest only if the appropriate Board or committee decides that a conflict of interest exists.

B. Procedures

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Directors and members of committees with Board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, the interested person shall leave the Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or committee members, as the case may be, shall decide if a conflict of interest exists.

3. Addressing the Conflict of Interest

- a. An interested person may make a presentation to the Board. After the presentation, that person shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The Board chairperson shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the Board shall determine whether the Corporation can obtain with reasonable effort a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit and



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whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violation of the Conflicts of Interest Policy

- a. If the Board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

C. Records of Proceedings

The minutes of the Board and all committees with Board delegated powers shall contain:

1. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's decisions or committee's recommendations to the Board as to whether a conflict of interest in fact existed.
2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

D. Compensation

1. A voting member of the Board who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
3. No voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

E. Annual Statement

Each Director, Officer and member of a committee with Board delegated powers shall annually sign a statement which affirms such person:

1. Has received a copy of the conflicts of interest policy;
2. Has read and understands the policy;
3. Has agreed to comply with the policy; and
4. Understands the Corporation is a Texas nonprofit Corporation and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

F. Periodic Reviews

To ensure the Corporation operates in a manner consistent with nonprofit purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

1. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and are the result of arm's length bargaining.
2. Whether partnerships, joint ventures and arrangements with management organizations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further business league purposes and do not result in private inurement, impermissible private benefit or an excess benefit transaction.



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G. Use of Outside Experts

When conducting the periodic reviews as provided for in Provision F of this Section, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.



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PROCEDURES

Procedures are the procedural rules for proper conduct and function of the Corporation, and must be in harmony with the Bylaws and Policies. Procedures shall be adopted, amended and rescinded by a majority vote of the Board of Directors.

- Foundation Appraisers Coalition of Texas, Inc. (FACT)
- Procedures Approved by the Board of Directors
- Adopted February 18, 2012

Section I. Standing Committees

A. Fundraising Committee

1. The committee oversees matters relating to all fundraising activities of the Corporation in a professional, ethical and efficient manner to meet financial goals.
2. The committee shall coordinate, monitor and evaluate all fundraising and solicitation activities of the Corporation.
3. The Corporation raises money through funding mechanisms approved as required by applicable Bylaws and Policies to support the Corporation's mission.
4. Files maintained by the Corporation are intended for the exclusive use of the committee in conducting Corporation business and shall not be used for the benefit of any third party.
5. Members may not benefit (or appear to benefit) financially or be compensated based upon contributions to the Corporation or related arrangements.
6. The Committee shall report to the membership the total amount of funds raised from all sources of fundraisers.
7. Approvals
 - a. The Board of Directors must approve fundraisers and the plans thereof.
 - b. The Board of Directors must approve the fundraiser budgets.
 - c. The Board of Directors must approve evaluation forms, underwriter/contribution contracts and raffles. Originals of all contracts must be kept in the Corporation's permanent files.
 - d. Fundraising letters to donors, vendors and participants must be approved by the President.
 - e. Contracts must be reviewed by the Corporation's attorney.
 - f. Exceptions to sponsorship opportunities shall be approved by the President.

B. Membership Committee

1. The Board of Directors must approve a plan for recruitment of prospective members.
2. The committee shall implement the approved recruitment plan.
3. The committee shall educate members and prospective members on the privileges and responsibilities of membership.
4. The committee chair shall report to the Executive Director any member status changes resulting from disciplinary action.

C. Public Relations Committee

1. The committee shall keep the membership and the community informed about the Corporation's purpose and community involvement. Internally, this is done in the newsletter and externally through the appropriate media.
2. Reviewed by the President.
3. Promotional materials bearing the name of the Corporation must be reviewed by the President.



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4. The newsletter of the Corporation is primarily intended for internal circulation and use by FACT members as follows:
 - a. The newsletter is published at least monthly during legislative years and at least bi-monthly during non legislative years.
 - b. Deadline for submission to the newsletter will be by the last Monday of each month to be published in the following edition.
 - c. Information printed in the newsletter shall be limited to time oriented date related announcements and material pertaining only to the membership, such as committee reports, fundraising opportunities, etc.
 - d. The newsletter must be approved by the President prior to submission to the membership.
 - e. Mailing of the newsletter will be via e-mail.

D. Legislative Management Committee

1. Members of the committee are dictated by the Bylaws as follows: Members of the Executive Committee and up to two (2) at-large Directors appointed by the President. The committee shall:
2. Identify legislative issues that can affect the membership and the industry.
3. Identify and track key words in bills.
4. Assign task forces as needed to work on specific bills or areas of concern.
5. Review drafts of bills or assist with creation of new drafts as needed.
6. Liaise with the Texas Appraiser Licensing and Certification Board (TALCB) as passed bills are implemented and administered.
7. Attend hearings at the state capitol as identified by the designated legislative consultant(s) and testify as needed.
8. Schedule meetings with sponsors and stakeholders to assist with bill introduction, review, negotiation, etc.
9. Review bills as written by legislative counsel for review and edit as necessary.
10. Notify the membership of key items requiring their attention.
11. Identify the membership with their respective legislator(s).

E. FACTPAC Contribution Decision Making Committee

The Executive Committee shall nominate the Trustees from among the Board of Directors and shall present their slate to the Board of Directors at a regularly called meeting.

1. A separate checking account shall be maintained for the funds collected.
2. No Trustee(s) shall be a signatory for the FACTPAC account.
3. At least two (2) Trustees must approve any contributions paid from the FACTPAC account upon recommendation from the designated legislative consultant(s).
4. All recommendations for contributions paid from FACTPAC must be in writing and must clearly state specific reason(s) why a contribution is warranted.



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Section II. Administrative

A. Executive Director

The Executive Director is vital to the success and smooth functioning of the Corporation. The Executive Director shall, as is applicable and needed, timely

1. Administer all correspondence and communication of the Corporation by appropriate media,
2. Order supplies,
3. Update the website,
4. Create and distribute any newsletter or other media announcements,
5. Prepare and distribute to the Executive Committee a monthly activity report including membership data,
6. Perform all bookkeeping and cash management functions as directed by the Treasurer,
7. Create an annual budget as directed by the Treasurer and/or President,
8. Engage appropriate outside professionals to complete annual tax returns and other financial reports,
9. Report FACTPAC activities to the Texas Ethics Commission, and perform the duties as the treasurer of the FACTPAC as directed by the FACTPAC Contribution Decision Making Committee,
10. Liaise with the Texas Appraiser Licensing and Certification Board (TALCS) and attend scheduled TALCS meetings and relevant special meetings,
11. Liaise with the President, the Executive Committee, standing committees, ad hoc committee(s) and contracted consultant(s),
12. Schedule and coordinate all regular and special Executive Committee meetings, Board of Directors' meetings and/or Annual Meetings of the members in compliance with the Bylaws, and
 - a. For in-person meetings,
 - i. Prepare agendas,
 - ii. Secure meeting locations, meeting rooms, accommodations for participants, refreshments and audio/visual equipment, and
 - iii. Notify all potential participants with dates, locations, agendas and any other pertinent information such as accommodations,
 - b. For meetings via interactive technology,
 - i. Prepare agendas,
 - ii. Arrange the appropriate interactive technology and
 - iii. Notify all participants with dates, agendas and connection and participation details,
 - c. For Committee meetings,
 - i. Arrange the appropriate interactive technology, if requested by the Committee Chair(s), and
 - ii. Notify all participants with dates and connection and participation details of interactive technology meetings, as requested by the Committee Chair(s), and
 - iii. Assist with Committee meeting scheduling and coordinating, if needed, and
 - iv. as requested by the Committee Chair(s), and
13. Record minutes at all Executive Committee, Board of Directors' and/or Annual Meetings of the members and distribute to attendees,



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14. Consult with the President to determine a mutually-convenient date, time and location for the annual performance review of his/her Executive Director position by the President, and Complete any other appropriate or necessary task(s) for the Corporation as directed by the President.

A. Reimbursement of Expenses

An Officer or Director may be reimbursed for actual expenses incurred in the performance of duties while representing the Corporation at an approved meeting or event as follows:

1. Registration fees and/or hotel room charges inclusive of fees and taxes.
2. Airline travel arrangements, if required, should take advantage of the lowest possible fares and advance rates.
3. Mileage from office to destination of approved meeting/event reimbursed at the current IRS standard mileage rate.
4. The most economical method of transportation should be used.
5. Only meals not included in an applicable registration or meeting fee will be reimbursed.
6. No reimbursement is allowed for alcoholic beverages.
7. The allowance per day for meals shall be in keeping with the budgeted allowance.
8. Receipts will be required for reimbursement.
9. No reimbursement is allowed for personal expenses.
10. An itemized list of expenses with receipts must be submitted to the Treasurer within ten (10) days of the time when the expense was incurred. Failure to submit reimbursement requests within ten (10) days may result in a reimbursement denial.



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Section III. Leadership Selection Process

A. Board of Directors

1. Each Sponsor Chapter shall appoint two (2) members in Good Standing as representatives of the Sponsor Chapter to serve on the Board of Directors.
2. One (1) Individual Member in Good Standing shall be nominated by the President as representative of all Individual Members to serve as the at-large Director. The at-large Director shall be elected by affirmative vote of a majority of the Board of Directors.
3. Affiliate Members shall have no representation on the Board of Directors.
4. Term limits or the need thereof may be considered from time to time by the Board of Directors.

B. Executive Committee

1. Each Sponsor Organization shall elect one Director as representative of the Sponsor Organization to serve on the Executive Committee.
2. Individual Members and Affiliate Members shall have no representation on the Executive Committee.
3. Term limits or the need thereof may be considered from time to time by the Board of Directors.

C. Officers

1. The Executive Committee shall nominate the Officers from among their numbers and shall present their slate to the Board of Directors at a regularly called meeting.
2. The Board of Directors may elect and appoint from the floor other members of the Executive Committee to be slated as an Officer.
3. In the event of insufficient numbers from the Executive Committee to fill the Officer positions, the Board of Directors shall fill the slate by affirmative vote of a majority of the Directors. The individual elected in this manner shall be a current Director.