

CHAPTER LEADERSHIP PROGRAM **2021**





Keys to Your Presidency:

Running Productive Meetings and Helping Protect Your Chapter from Legal Problems

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MAJOR TOPICS



- Meetings – agendas, quorum, Roberts Rules of Order, motions, voting, meeting efficiency, use of technology, executive session
- Legal Issues in Chapter Services/Operations – education, marketing, mergers, chapter workers, technology, sponsorships, COVID, welcoming environment

CHAPTER MEETINGS



- Minimum of four Chapter Board meetings each year
 - ✓ Fourteen days notice required
- Minimum of four Chapter membership meetings each year unless Regional Chair permits fewer
 - ✓ Should give not less than five and not more than sixty days notice

AGENDA



- Identifies reports and discussion topics for the meeting
- Sets start and end times
- Distribute in advance of meeting

AGENDA (cont'd)



- Benefits
 - ✓ Helps individuals prepare
 - ✓ Helps organize the meeting and keep it on track
 - ✓ Enhances quality of meeting
 - ✓ Helps meeting end when scheduled

AGENDA (cont'd)



- Do not place on the agenda or discuss issues that can result in antitrust violations:
 - ✓ Appraisal fees or bids for assignments
 - ✓ Boycotts or refusal to deal with competitors, suppliers, or customers
 - ✓ Dividing markets or territories

AGENDA (cont'd)



- Antitrust laws are designed to ensure that business is open and competitive, and that competition is not unreasonably or unfairly restricted
- Role of associations
- Distribute anti-trust policy and place on chapter website

QUORUM



- Board meetings:
 - ✓ 50% of voting members
- Chapter membership meetings:
 - ✓ Those present and voting
- Committee meetings:
 - ✓ Majority

DIRECTORS' DUTIES AND ROLE



- Duty of Care
- Duty of Obedience
- Duty of Loyalty: Decide what is best for the organization, not what is in your personal interest or someone else's interest.

DUTIES AND ROLE (cont'd)



- Avoid conflicts of interest
 - ✓ Disclose
 - ✓ Recuse self if appropriate

DUTIES AND ROLE (cont'd)



Examples:

- ✓ President considers appointing an individual who is a leader of a competing organization as committee chair
- ✓ Awarding a contract for web design where Board member's spouse has a web design business

DUTIES AND ROLE (cont'd)



- ✓ Chapter Education Committee Chair. Help ensure that instructor assignments are in the best interest of the Chapter (e.g., price, quality)
- ✓ Chapter Nominating Committee (CNC) cannot nominate one of its own. Be cognizant of possible relationships between CNC members and potential nominees (e.g., business partners, employer/employee)

ROBERT'S RULES OF ORDER



- Chapters must follow Robert's Rules of Order. The purposes of Roberts Rules are to help:
 - ✓ Ensure that business is transacted efficiently
 - ✓ Protects right of majority to decide
 - ✓ Protects right of minority to be heard
 - ✓ Maintains order

ACTION BY MOTION



- I move to approve the chapter budget for 2022 as presented
 - ✓ Second required
 - ✓ Discussion
- I move that the motion be amended to add \$5,000 to update the website
 - ✓ Second required
 - ✓ Discussion

VOTING



- All those in favor of the amendment say “Aye.” All those opposed say “Nay.” Abstentions?
- All those in favor of the amended motion say “Aye.” All those opposed say “Nay.” Abstentions?
- Chair votes only to affect the result (i.e. make or break a tie, make a majority or supermajority)

CHAIR VOTING



- Chair's role: impartially facilitate meeting, ensure fair play; establish trust of Board members
- No reason for Chair to vote when it will not effect the outcome
- Sample Votes: 6-3, 4-4, 5-4

OTHER MOTIONS



- To call the question.
 - ✓ This requires a 2/3 vote and will cut off debate.
- To limit debate to X minutes.
 - ✓ This requires a 2/3 vote.
- To table.
 - ✓ For use only when an emergency arises and other business must be put aside.
- To postpone until time certain.

CONSENSUS



- More informal
- Routine business
- No vote
- Chair needs to announce what the Chair believes is the consensus and let anyone object. If someone objects, best to have a motion.

EFFICIENT MEETINGS



- Chair calls on members to speak
- Members should address comments to the Chair
- Conversations should not occur between members or the meeting can get out of control
- Limit comments to issue at hand

EFFICIENT MEETINGS (cont'd)



- Avoid repetitiveness. If a specific point has been made, ask others not to repeat
- Only members of the Board can speak. Others do not have such privileges, unless the Chair decides otherwise subject to the ultimate authority of the Board

EXECUTIVE SESSION



- Confidential Matters
 - ✓ Examples: organizational strategies, salary/performance
- Content of discussion must not go beyond those present unless agreed otherwise
- Board can decide who can be present

USE OF TECHNOLOGY



- Chapter, Board and Committee meetings can occur via “interactive technology”
 - ✓ Telephone, Zoom, Microsoft Teams, etc.
- Those participating must be able to “communicate with one another.”

ACTION WITHOUT A MEETING



- Non-controversial issues
- Requires unanimous written consent
- Every person on the Board must vote in writing in favor
- There can be no abstentions or members not voting
- Strict requirements because best decisions usually are made with discussion and debate

MINUTES



- A record of what was done, not what was said
- Minutes should be short and should list:
 - ✓ Date, time, and place of meeting
 - ✓ Who was present and absent
 - ✓ Motions – maker, seconder, disposition
- Consensus items
- Notation of the subject matter of a report

APPARENT AUTHORITY



- Third party may reasonably conclude a member, employee or contractor has authority to act on behalf of Chapter. The Chapter can be bound or responsible as a result.

APPARENT AUTHORITY (cont'd)



- Establish protections
 - ✓ Limit individual's authority to speak on Chapter's behalf
 - ✓ Set strict parameters on contracting authority and entering into commitments
 - ✓ Limit use of letterhead, logo and Chapter name

EDUCATION



- Offering Chapter Developed and Third-Party Chapter Educational Programs entails special legal issues
- Chapter Developed Educational Programs cover topics unique to the local area and are created, developed, organized and offered by the Chapter

EDUCATION (cont'd)



- Third-Party Educational Programs have not been developed by the Appraisal Institute, its regions or its chapters. Typically, a Third-Party Educational Program is one where a Third Party uses the chapter as a vehicle through which to sell and offer an educational program that the Third Party owns or licenses.

EDUCATION (cont'd)



- Ensure that handouts, slides and promotional materials do not suggest any AI endorsement of speaker or content
- Do not place AI logo on third party or speaker materials
- Use disclaimer in Education Network Manual

EDUCATION (cont'd)



- Ensure clarity as to who owns education materials through agreement and get permission to copy or post materials owned by others
- If recorded, ensure chapter has signed written permissions from speakers and attendees.

INFORMATION TECHNOLOGY



- Constantly review, update and strengthen security
- If data breach, federal and state laws may require notifications and other steps

MARKETING



- Advertising should be truthful and not misleading or deceptive
- Avoid any assurances and guarantees; focus on designation requirements instead
- Stay away from using words like:
 - ✓ ensure, guarantee, reliable, expertise

MARKETING (cont'd)



- CAN-SPAM establishes requirements for commercial email messages, which are emails primarily intended to advertise or promote a commercial product or service

MARKETING (cont'd)



- ✓ Don't use false or misleading headers
- ✓ Identify message as an ad
- ✓ Include a physical postal address
- ✓ Enable recipients to opt-out and honor such requests
- ✓ Ensure third parties providing email service for Chapter does the same

WEBSITES



- Recommend using template provided by national:
 - ✓ Easier to keep information up-to-date (e.g., admissions requirements, benefits)
 - ✓ Helps ensure that trademarks are used properly
 - ✓ Helps ensure that the site has proper legal language like terms of use of the website, disclaiming liabilities, privacy

WEBSITES (cont'd)



- Ensure chapter has the right to use others' work, trademarks
- Find an appraiser – avoid guarantees
- Ensure job boards have proper disclaimers
- Include antitrust policy

MERGERS



- Explore benefits and feasibility
- Form steering committee
- Draft a merger plan – description of process, rationale, how new Board will be constituted, finances, chapter services, branch chapters, effective date

MERGERS



- Chapter Board vote
- Chapter membership vote
- Regional recommendation
- National Board approval

UBIT



- Unrelated Business Income Tax (UBIT) can be imposed on income received from business or activity that is unrelated to tax-exempt purpose.
Too much UBIT can jeopardize tax-exempt status
- Corporate sponsorship
 - ✓ Can list name, logo, contact information, but no endorsement, qualitative statements and competitor comparisons

UBIT (cont'd)



- Affinity Agreements

- ✓ Often discounts for products in exchange for right to use logo, access to membership lists
- ✓ National negotiates affinity agreements for all of AI
 - Bargaining power
 - Avoids violation of exclusivity provisions

CHAPTER WORKERS



- Some chapters use employees to provide services to operate chapters; others use independent contractors.
- Consult with attorney familiar with your state and local law.

CHAPTER WORKERS



- Employees
 - ✓ Review and update job descriptions
 - ✓ Treat with respect and dignity; keep relationships professional
- Independent Contractors (e.g., association management companies)
 - ✓ Review and update current agreement
 - ✓ Treat with respect and dignity; keep relationships professional

COVID and Chapter Events



- Ensure that Chapter adheres to applicable federal, state and local requirements
- **Waivers**
 - ✓ Waivers may be useful against potential lawsuits
 - ✓ Waivers are designed for individuals to relinquish the right to sue for personal injury
 - ✓ Waivers are governed by state law, which will have different requirements to be effective; no one size fits all

WELCOMING ENVIRONMENT



- Treatment of AI Professionals

The Appraisal Institute's goal is to provide an organizational environment for its professionals that is free from discrimination or harassment on the basis of race, color, religion, national origin, sex, marital status, age, sexual orientation or disability. Harassment can include derogatory statements, conduct or treatment relating to an individual's race, color, religion, sex, marital status, age, sexual orientation or disability.

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