

# Model Fiduciary Duties Policy

*Disclaimer concerning the Use of this Model Policy: This Model Policy is designed for local Associations of REALTORS® in Texas to use as a guide in the adoption of a Fiduciary Duties Policy. Texas REALTORS® does not represent or warrant that this model document addresses all items that should be addressed in a fiduciary duties policy or that compliance with this model document will eliminate any potential responsibility or liability by the association.*

## Your Fiduciary Duties

### **What are my responsibilities?**

Know the issues that are important to REALTORS® and to bring matters of concern to the attention of your Board of REALTORS®.

- Understand how your association works by reading the bylaws, minutes, business plan, rules and regulations and any ongoing publications.
- Participate in meetings! Your association depends on your experience, knowledge, opinion and expertise.

### **Who do I represent?**

As a member of a committee, task force, work group or Board of Directors, you represent the Total Membership of your association. There may be a number of different views on various issues; however, if you place the general welfare and best interest of your Board of REALTORS® first, you will make the right decision.

### **How do I keep up to date with all the activities, programs and business of your Board of REALTORS®?**

- You can count on the staff to keep you informed.
- E-mail (updates, notices, minutes)
- Web-site
- Current Publications
- Broker/Manager meetings
- Membership meetings

### **Must I attend all events, programs and meetings?**

Your presence at Board/Committee events and meetings is important. Your participation sets an example that members should attend these meetings. A quorum is important to conduct Association business.

- At Committee meetings, a majority of the members shall constitute a quorum

### **Who is the spokesperson for your Board of REALTORS®?**

The spokesperson for your Board of REALTORS® is set by Directorate policy to be the Chairman (President) of the Board, Chief Executive Officer and/or a designated representative.

### **In my role as a volunteer, how can I avoid personal liability?**

As a volunteer, you avoid personal liability as long as you make informed and reasoned decisions: acting within the capacity of Association operations; and within the normal course of operations for your Board of REALTORS®.

Boards of REALTORS® generally maintain Errors and Omissions insurance for any such liability. Coverage is provided as long as it can be shown that the business or activity was within the prudent course of conducting business for Board Officers, Directors, Committees and Staff. Indemnification and insurance deal with the following issues: compliance with bylaws and the board's governing documents, properly noticed meetings, properly run meetings and meetings held at the direction of the Board.

### **What are my fiduciary duties to my Board of REALTORS®?**

- Confidentiality; Loyalty; Obedience; Disclosure; Accountability; and Reasonable Skill and Care. (Prudent course of conducting business and avoidance of anti-trust issues)
- Conflicts of Interest (to be conducted in the best interest of the Board vs. personal or company interest)
- Being Prepared (reading all material in advance, understanding bylaws and the Business Plan for the association)
- Suspend Judgment (until full discussion or debate has been explored)
- Being an Ambassador of your Board of REALTORS® and presenting a united front on decisions made by the Board of Directors.

Please review your Association's Business Plan and Policies regarding the applicable strategies involving a particular Committee or Task Force.