A Guide for the Successful REALTOR® Association Executive

The RCE Body of Knowledge identifies the five competencies and 28 topic areas that RCE candidates should know and understand to prepare for the RCE exam. The RCE exam, which is comprised of three modules, consists of 120 multiple-choice questions -- 40 questions in each of the three modules. Candidates can sit for one or all three modules at a time, but they are required to obtain a passing score of 75% on each of the three modules in order to earn the RCE designation. RCE exams are offered online annually in February and October, with an RCE proctor.

*The Answer Book*, the main study reference for the exam, is comprised of 28 chapters that mirror the 28 topic areas outlined in the Body of Knowledge. The RCE Body of Knowledge, below, is a customized blueprint of the necessary knowledge base leading to the RCE designation.
Module 1

Manage the Association and Its Business Operations

Association executives (AEs) today need a comprehensive skill set, including the ability to prioritize time, finances, materials, space, and human resources; to plan and coordinate processes to produce desired results; build a professional environment of trust and respect; and optimize association resources to ensure effectiveness of association decisions and provide knowledge for members.

**Association Structures and Relationships**
- Understand association of choice and Universal Access to Services
- Understand association structure – 501(c)6 for-profit and applicability to REALTOR® associations
- Understand the Three-Way agreement
- Understand multi-association management
- Understand the shared services concept
- Understand the advantages/disadvantages of mergers/consolidations and describe how they are accomplished
- Understand the structure of a 501(c)3 non-profit subsidiary (i.e. charitable or education foundation)
- Define and implement structural and internal audits

**Association Technology**
- Understand fundamental relationship database technology, including NRDS, and be able to demonstrate the skills necessary to be a POE
- Assess computer hardware, software, and integrated tools (cloud computing, outsourced vs. in-house solutions)
- Identify e-commerce options (i.e. NAR and others)
- Identify cyber security issues (i.e. virus protection, firewalls, backup and restore systems, hacking, password protection)
- Be prepared to advise members on how to use social media in their businesses in a professional and legal manner (i.e. Facebook, YouTube, LinkedIn, etc.)
- List and analyze technology solutions for members and the association (i.e. electronic key systems, hardware, software, ISPs, smart devices, Internet of Things, etc.)

**Budget and Financial Management**
- Understand applicable IRS regulations governing for-profit and not-for-profit corporations; unrelated business income tax (UBIT); and the basic requirements of IRS Form 990
- Understand state corporate law, sales and income tax law and reporting requirements relevant to the association
- Adopt policies to ensure the fiscal integrity of the association's financial operations, as mandated by the Core Standards; policies and practices include basic bookkeeping skills; accounting principles; payroll management; applying financial controls, including internal and external audit procedures; reviews and/or compilations; enforcing policies and procedures; adopt a conflict of interest and records retention policy
- Understand Core Standards requirements relating to the requirement to have an audit, review or compilation report prepared by a CPA annually based on the annual revenue of the association:
  » If association's annual revenues are less than $50,000 annually, it must obtain a compilation report prepared by a CPA
  » If association annual revenues are less than $50,000 annually, it must obtain a compilation report prepared by a CPA annually based on the annual revenue of the association.
- Understand the ramifications of hiring an independent contractor
- Understand the differences between exempt and non-exempt positions
- Know the classes protected by federal and state law
- Understand the advantages/disadvantages of mergers/consolidations and describe how they are accomplished
- Understand the structure of a 501(c)3 non-profit subsidiary (i.e. charitable or education foundation)
- Define and implement structural and internal audits

**Commercial Services and Structures**
- Understand commercial structures and overlay associations
- Understand the services offered to associations through NAR’s Commercial and Global Services team
- Understand how NAR supports the commercial real estate sector, including resources and services available for members on www.nar.realtor/commercial, etc.
- Understand the Institute Affiliate Dues structure

**Facilities and Equipment**
- Comply with the provisions of the ADA, as well as state and local fire marshal, zoning, and occupancy restrictions
- Implement appropriate risk reduction/insurance activities
- Perform needs assessments for facilities and equipment; develop RFPs for significant purchases
- Understand issues related to maintenance, lease, and purchase agreements

**Human Resource Management**
- Identify and understand employee hiring and termination procedures, and be able to document actions in compliance with employment law
- Understand appropriate federal and state employment issues including worker's compensation insurance, wrongful dismissal and unemployment claims
- Identify questions that may/may not be asked in job interviews
- Know the classes protected by federal and state law
- Understand the differences between exempt and non-exempt positions
- Understand the ramifications of hiring an independent contractor
- Maintain current job descriptions for each staff member
- Conduct annual performance reviews for each employee
Module 1

Legal and Regulatory Activities

- Maintain, or have access to legal counsel, as mandated by the Core Standards
- Understand the application of the Americans with Disabilities Act (ADA), state and local regulations to association activities and ensure compliance, including website accessibility compliance
- Have an in-depth understanding of antitrust laws and ensure association’s compliance with these laws
- Understand how copyright laws impact the association and ensure compliance
- Understand how music, software, and photo usage licensing laws impact the association and ensure compliance
- Implement and maintain a document retention policy and ensure compliance
- Minimize liability for the association, officers, directors, committees, and employees
- Understand and ensure compliance with trademark policies applicable to the REALTOR® trademark
- Understand conflict of interest/duty of loyalty policies
- Understand intellectual property rights and implement compliance policies for images on websites, disability issues like accessibility of websites, and other issues
- Understand insurance policies, coverage, and limits of insurance, particularly NAR’s umbrella professional liability policy and the general liability policy
- Be aware of patent issues in the industry
- Understand the legal liabilities of social media

Meeting Management

- Develop policies with volunteers regarding committee and agenda preparation, defining the purpose of the meeting, meeting notices, materials preparation and recording of meeting minutes pursuant to association policy and Robert’s Rules of Order
- Work with volunteers to develop successful meeting and event planning procedures including speaker and site selection, room set-up, AV use, food/ beverage and registration and fees
- Understand basic elements of meetings contracts, including cancellation policies, insurance policies and vendor liability law
- Ensure policies are in place to address attendees requiring special accommodations
- Develop procedures for meeting follow-up and evaluation
- Utilize technology tools for conference calls, videoconferencing, podcasts, webinars, etc.
- Research and negotiate favorable contracts for speakers and facilities

Membership Development

- Gain basic understanding of strategic goals for membership development
- Understand the membership classifications and the membership benefits at all three levels of REALTOR® associations (local, state, and national)
- Create realistic membership goals that are reflected in the association’s strategic plan
- Develop a member value proposition
- Understand membership trends in real estate and other industries and measure the impact of those trends on the application

Planning and Visioning

- Recognize the main elements of strategic plans, business plans, and mission and vision statements and develop them appropriately
- Annually adopt a strategic or business plan that meets or exceeds NAR’s Organizational Alignment Core Standards
- Regularly examine industry trends that may impact the association’s vision, mission and/or strategic or business plan, and report to volunteer leadership
- Effectively integrate strategic and business planning objectives into the budgeting process.
- Understand and utilize best practices for gathering information, including member surveys, focus groups, etc.
- Understand impacts of demographic differences to address the desires and needs of future members and leadership when planning and visioning

Product/Program Development

- Identify core vs. optional services and determine whether the product/service offering is consistent with association’s mission statement and strategic plan
- Identify available NAR, state, and local programs and products and communicate the offerings to membership
- Assess the impact of a product or program for any association liability, impact on tax status, and staffing
- Develop and conduct a member needs assessment to determine products and services needed by membership
- Develop and conduct member, market, and competitive research to determine if the product/service is feasible for delivery, including a cost/benefit analysis
- Create a business plan for products/services including the product requirements, rationale, funding and implementation plan

Professional Services

- Understand how to conduct needs analysis for professional services
- Understand how to prepare an RFP for potential vendors
- Understand the key issues, including cost/budget, purchase vs. lease, length of contract term and renewal, responsible parties, etc.
- Develop negotiation skills for procuring new services, determining terms of agreement, basic contract language, and contract provisions such as indemnification (coverage of association for potential liability issues), use of association marks, and location of arbitration; and ongoing execution of the contract (i.e. negotiating billing disputes)
- Identify and develop criteria for the procurement, management, evaluation and termination of professional service relationships: legal counsel, financial consultants and auditors, technical/computer consultants, et al.
Module 2

Understand the Structure of the Realtor® Organization Within the Context of the Evolving Real Estate Industry

Demonstrate the ability to analyze, interpret, and apply REALTOR® association governance, policies, and procedures to understand and work with the governance and structure of the REALTOR® association.

Advocacy and REALTOR® Party

- Know the local, state, and national expectations for voter registration of REALTORS®, Call-For-Action (CFA) Rates, and REALTOR® Political Action Committee (RPAC) fundraising
- Identify information, programs, and data available for REALTOR® voting engagement efforts
- Understand the expectations and directions of the Core Standards’ Advocacy section on political and government affairs programs
- Be able to find information about the different political action committees (PACs), political funding, grants, programming and other resources at the local, state, and national level
- Understand and identify the fundamentals of applying for NAR grants, programs, and funding sources

Governing Documents and Policy

- Understand the components of and be able to apply/comply with the following: Bylaws, NAR Model Bylaws; Constitution; and Articles of Incorporation
- Understand and enforce the REALTOR® dues formula
- Know the function and purpose of governing documents, policies, and procedures
- Maintain governing documents in compliance with NAR policy
- Be able to obtain approval of governing documents by NAR (a condition of coverage under NAR's Master Professional Liability Insurance Policy)

Institutes, Societies, and Councils, and NAR Designations, Certifications, and Certificate Courses

- Identify the Institutes, Societies and Councils and understand the scope of their respective designations
- Identify the various NAR Designations and Certifications and Certificate Courses and understand their purpose in the marketplace
- Know the steps needed to bring a NAR designation or certification course to the association and what resources and support are offered by NAR and the ISCs

Membership Policies and Procedures

- Understand association of choice and how policies apply to other association services:
  - Identify how association of choice applies to a designated REALTOR®
  - Identify how association of choice applies to a firm’s licensees where the firm’s DR belong to different associations and where the firm operates in multi-state markets
  - Identify the requirement for a REALTOR® (nonprincipal) to choose an association as primary
  - Identify how NAR dues formula applies to a DR who holds both primary membership in one association and secondary membership in another
  - Identify whether a secondary member may receive MLS services
- Understand and ensure compliance as mandated by the Core Standards
- Identify, implement and enforce member policies and procedures, including:
  - types of membership
  - membership qualification criteria
  - application process
  - membership privileges and obligations (including biennial Code of Ethics training requirement)
  - membership suspension, expulsion or termination
- Develop and conduct new member orientations as required by NAR
- Understand and ensure compliance as mandated by the Core Standards
Module 2

MLS Policies and Delivery of Services

- Understand the value and purpose of MLS, including ancillary services
- Describe the differences between core, basic and optional services
- Understand the difference between an MLS subscriber and participant and how their rights/privileges differ
- Understand the different MLS operational structures (committees, corporations and regional entities) and the NAR MLS policies and model documents
- Understand listing content management and distribution including ownership (copyright vs. license) and authorized displays and possible uses of MLS data by participants, subscribers, and others including IDX, VOW, syndication, aggregation and other service vendors
- Understand NAR Model MLS Rules and their impact on MLS services and delivery
- Understand the value and functions of RESO, data dictionary, WEB API and industry data standards

Professional Standards

- Know components of the Code of Ethics, the NAR Handbook on Multiple Listing Policy, and the Code of Ethics and Arbitration Manual (CEAM)
- Be able to explain the duties of the REALTOR® under the Code of Ethics and how they apply to his/her daily business
- Describe the general steps for processing an ethics complaint and for processing an arbitration request (including who is eligible to file and the differences between an ethics complaint and an arbitration request)
- Know the role and scope of the Grievance Committee, Professional Standards Committee and the Board of Directors in conducting ethics hearings, arbitration hearings and appeal hearings
- Understand and enforce NAR’s Code of Ethics training requirements
- Understand and enter into a cooperative enforcement agreement
- Understand NAR’s REALTOR® Association Dispute Resolution Process
- List the basic principles of due process and how they apply to administrative timelines and the role of the Association Executive to ensure parties a fair and impartial hearing
- Understand the differences between mandatory and voluntary arbitration
- Know the elements of an ethics decision including: (1) clearly articulated findings of facts that support the conclusion and are reasonably applicable to the cited articles, (2) progressive discipline and, (3) use Declaratory Relief when appropriate

- Enforce NAR MLS Rules and Regulations, including the NAR MLS Antitrust Compliance Policy
- Understand state and federal regulations and NAR policy governing MLS functions and use of listing content, including copyrights, advertising and ownership of MLS data, licensing, agency, procuring cause, compensation, intellectual property rights and antitrust and enforcement procedures
- Understand the potential benefits of MLS regionalization, cooperative and reciprocal agreements
- Develop and implement policies regarding data feeds for subscribers, participants and third-parties
- Develop and implement policies regarding the public distribution and use of MLS statistics

Foster Effective Interpersonal Relationships

Demonstrate the ability to accomplish objectives through effective relationships and partnerships with a variety of internal and external constituencies and coalitions; integrate social, organizational, and technological considerations to implement the most efficient structures and processes; effectively manage and work with staff and volunteers and to develop effective coalitions.

Working with External Organizations

- Identify and use NAR grants (Smart Growth Action Grants, Commercial Innovation Grants, Diversity Initiative Grants, et al.)

Working with Volunteers

- Understand the role of leadership, volunteers and staff
- Understand the differences between committee, task forces and work groups
- Implement an annual call for volunteer leaders
- Identify training and other opportunities for volunteers to develop their leadership skills
- Implement programs to train and develop effective committee and work group leaders
- Develop programs to recruit, recognize, and retain volunteers
- Understand and accommodate volunteers’ generational and motivational preferences
- Implement and ensure access to a leadership training program
- Understand, and accommodate different leadership styles, personality types, generational and motivational preferences
Understand Real Estate Issues and Trends

Understand the diverse issues that foster a successful real estate operation, as well as the forces that are shaping the industry; manage these changes to ensure an environment that puts the REALTOR® at the center of every real estate transaction; analyze and affect the impact of issues and trends in the industry.

Diversity and Global

- Recognize the many types of diversity (age, gender, ethnic background, etc.) in local markets, in the membership and in association leadership
- Identify the purposes of NAR’s Leading with Diversity workshop and Diversity Grants
- Raise awareness of NAR Global Programs and services to share with members
- Understand the impact of members’ listings on www.nar.realtor/international
- Understand how diversity and inclusiveness contribute to achieving association goals

Fair Housing

- Be aware of federal, state, and local fair housing laws, types of potential violations, and where complaints may be filed
- Know the application of Article 10 of the Code of Ethics
- Identify advertising practices that may have a fair housing impact

General Real Estate Practices

- Know the basics of real estate contract law
- Understand license law and regulations; identify agencies that regulate licensees
- Understand the liabilities inherent in real estate activities (e.g. misrepresentation, negligence, etc.)
- Be knowledgeable of disclosures and documentations to reduce liability (e.g. Megan’s Law, stigmas etc.)
- Understand basic listing/sales procedures, and terminology
- Understand disclosure requirements
- Describe the difference between Exclusive Right to Sell and Exclusive Agency agreements
- Understand independent contractor status and brokerage models
- Have basic understanding of agency and agency relationships
- Be knowledgeable of real estate office employment issues
- Be knowledgeable of record-keeping requirements for real estate practitioners
- Understand broker/agent relationships

Real Estate Issues and Trends

- Work with leadership and volunteers to identify the industry’s major member/broker liability issues.
- Understand the day-to-day operations of real estate practitioners
- Understand the types of government regulation impacting real estate brokerage, licensing and educational requirements
- Have a working knowledge of the basic economics of prevailing real estate brokerage business models (e.g. split commission, 100% commission, limited service) and their impact on members
- Understand trends affecting the transfer and ownership of real estate; this includes funding, document processing, title and escrow, and taxes
- Understand regulations affecting the ownership and transfer of real estate, fair housing, and diversity
- Identify, evaluate and develop action plans to address emerging real estate issues and trends
- Understand how the rapid evolution of technology impacts deliverables (products and services) of associations and MLS
- Stay informed about social, political, technology and demographic trends and how those trends affect the real estate market and the business activity of members
- Develop a leadership pipeline that accommodates changing member demographics and real estate business trends
- Analyze the impact of changing consumer demands and demographics and provide direction to members and the association
- Be knowledgeable about consumer demands and trends affecting the real estate transaction, including competitive entities and services to REALTORS®, such as FSBOs, third party aggregators, syndication, energy and green, MLS services and potential replacements, and related technologies
Communicate Valuable Information

Identify, acquire, interpret, and communicate valuable information to association members and external audiences; market programs and services that meet member needs; use knowledge, skills, and technological tools to achieve desired results; relate information from outside sources to support members in their day-to-day business.

Communications

◆ Work with volunteers to create and implement a communications plan, including the process, frequency and delivery of messages
◆ Learn to effectively use print, email, web, social media, and video communication channels
◆ Understand and adhere to copyright privacy and trademark laws
◆ Analyze current online communication channels and develop a comprehensive platform that includes design, data security, e-commerce features, and methods to drive traffic to the site(s)
◆ Implement a process to respond to feedback on social media platforms and other online channels

Education

◆ Develop and maintain effective education program record keeping and administration
◆ Understand and utilize educational resources available through the NAR family of REALTOR® organizations
◆ Identify delivery systems and explore cost-effective sources
◆ Be able to negotiate instructor fees and expenses, room rental, and other costs of providing educational courses
◆ Determine course fees based upon a cost analysis
◆ Develop the association’s overall value proposition for education, and its long-term impact on the association budget

Marketing

◆ Understand the concepts of marketing and selling, and be able to define the differences
◆ Identify the association’s target audiences, and be able to customize a marketing plan to accommodate preferred methods of communication and maximize engagement (e.g. text, social media, radio, billboard, newspaper, newsletter)
◆ Understand the value of the REALTOR® brand, its relationship to the association and ensure the brand is marketed consistently
◆ Understand the latest marketing methods and techniques and incorporate them into various digital platforms (i.e., drip campaigns)
◆ Communicate the association’s value proposition to members in terms of real benefits (what’s in it for them)
◆ Conduct needs assessments to identify market opportunities
◆ Understand and evaluate marketing processes, functions and applications
◆ Identify and develop marketing plans (e.g. targeting, timing, exit strategies, etc.)
◆ Leverage segmentation in marketing campaigns to personalize the member experience and increase relevancy within the organization
◆ Define strategic intent, establish standards of success, specify marketing goals, and be able to measure and evaluate results
◆ Communicate the vision for the public relations strategy to both staff and leadership
◆ Determine what content is relevant and newsworthy (articles, photos, videos, blogs) to various media outlets
◆ Communicate the vision for the public relations strategy to both staff and leadership
◆ Develop and implement an effective strategic public relations plan

Public Relations Programs

◆ Utilize the public relations tools provided by NAR and the state association
◆ Define and understand public relations and the differences between PR and publicity.
◆ Create a strategy for a public relations program that promotes REALTOR® value and positions the REALTOR® organization as the recognized resource for real estate information within the community
◆ Determine what content is relevant and newsworthy (articles, photos, videos, blogs) to various media outlets
◆ Communicate the vision for the public relations strategy to both staff and leadership
◆ Develop and implement an effective strategic public relations plan

For More Information Contact:
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