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## **MA/RI Chapter of Appraisal Institute president's message for September - by Bud Clarke**

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The Appraisal Institute recently held its 2018 Appraisal Institute Annual Conference at the Downtown JW Marriott Nashville on Monday July 30, through Wednesday, August 1. The meeting featured world-renowned keynote speakers, nearly 30 breakout sessions on trend-setting valuation topics, networking opportunities for industry professionals, an exhibit

hall featuring cutting-edge products and services, and an awards ceremony honoring the valuation profession's best and brightest. More than 550 real estate professionals from around the world attended the opening session of the valuation profession's most important annual event, hosted by the Appraisal Institute, the nation's largest professional association of real estate appraisers.

“The Appraisal Institute is proud to host this annual event, which brings together a wide variety of top-notch real estate industry professionals,” said Appraisal Institute president James Murrett, MAI, SRA. “Nowhere else can appraisers learn about such important subjects, make these kinds of valuable contacts and catch up on the latest trends.”

While many interesting topics were presented and discussed at the national events, it was the regional meeting that was held on Sunday which provided the most relevant information relating to the MA/RI Chapter's future as an operating entity. Information regarding the Chapter Financial Management and Administrative Policy (CFMAP) and the Governance Structure Project Team (GSPT) was shared and discussed at length.

As you may recall, these two initiatives were announced at about the same time last year, and the suddenness and complexity of the two was a bit overwhelming for chapters and their members to absorb. As a result, much confusion and questions ensued regarding the policies' mandates, changes, and their intentions.

With this president's message, my goal is to update chapter members on the current status of each initiative. To that end:

- Chapter Financial Management and Administrative Policy (CFMAP) – This policy was adopted by the Appraisal Institute in November 2016. The policy calls for the national finance department to provide chapter financial management and administration services to chapters. The Board plans to consider potential adjustments to the policy until the end of 2018. 23 chapters have volunteered for the CFMAP Beta Program as of August 1.

The plan's goal is risk mitigation for the organization, the centralization of financial reporting functions, and the creation of a pooled reserve fund portfolio that will track and maintain

chapter's investment balances and investment income on a pro rata allocation basis.

The centralization of financial reporting functions for non-profit organizations like the Appraisal Institute is not uncommon and appears to be working well for the 23 chapters that have already transitioned into the system. In fact, my conversations with the Presidents for many of these chapters was all very positive and in support of CFMAP.

However, while the benefits of the program are many, given the complexity of the issue, many questions remain. To that end, the MA/RI Chapter will be forming a task force to investigate the details of this plan further. Should you be interested in serving, please contact me to express your interest.

Another initiative discussed at the regional meeting was the Governance Structure Project Team (GSPT). The key items for this initiative were the chapter structures; regional structure; the national nominating committee composition and process; the national board of director's composition, terms, and qualifications; and the national elected officer qualifications.

As reported at the regional meeting on Sunday July 29, 2018, recommended changes to the chapter structure and the regional structure have been tabled due to the significant amount of feedback received regarding these two changes. Chapter feedback regarding these two items centered on keeping the Appraisal Institute a membership organization where decisions are made at the local level. Changing the regional and chapter levels of this organizational structure is seen as removing or reducing the control local representatives and regional representatives have on the decision making process. The fact that these two elements of the GSPT have been tabled and are still being debated, is viewed as a positive move on behalf of the national board of directors. It reinforces their goal to keep the Appraisal Institute a membership driven organization. Additionally, the changes to the delivery of educational opportunities was also tabled.

As always, any comments and questions are strongly encouraged. The MA and RI Chapter leadership wants to ensure that any decisions we make are in the best interest of the chapter members and the many volunteers that have come before us.

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