



INTERNATIONAL VALUATION STANDARDS COUNCIL

Establishing and Developing a Valuation Professional Organisation

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International Valuation Standards Council

68 Lombard Street
LONDON EC3V 6LJ
United Kingdom
Email: contact@ivsc.org
www.ivsc.org

Establishing and Developing a Valuation Professional Organisation

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Overview

About this Guide

1. This Guide provides good practice guidance about the role of the valuation profession and the role and responsibilities of valuation professional organisations. It is designed to be a practical tool to help those involved in establishing a valuation professional organisation, and to further develop existing valuation professional organisations.
2. The guidance addresses a range of situations, including where the valuation profession does not exist in a country, where the profession exists and there is a desire to establish a valuation professional organisation, and where an existing professional body requires further development and enhancement. Some suggested areas for priority action are highlighted, including some short-, medium- and longer-term goals and projects. It is, however, for each group and organisation to determine their own priorities and actions, depending on their unique needs and circumstances.
3. There is no one model that is appropriate for every valuation professional organisation or country. However, there are some consistent principles and roles for professional bodies. This Guide discusses these principles and roles, and offers some guidance for issues that need to be considered. Guidance is presented in four key parts:
 - Part One:** Establishing a Valuation Professional Organisation
 - Part Two:** Roles and Responsibilities of a Valuation Professional Organisation
 - Part Three:** Education and Examinations
 - Part Four:** Mentoring Arrangements and Setting Priorities
4. It is important for a valuation professional organisation to have a plan of action to achieve its objectives. Guidance on the development of such action plans assists valuation professional organisations in understanding how key tasks, responsibilities, resources and timeframes are to be established.
5. The guidance is not intended to be prescriptive. Instead, it provides discussion and examples of good, and sometimes best, practices for groups to consider and adapt for their own situations and circumstances.
6. The IVSC website, at www.ivsc.org, contains additional materials developed by IVSC Boards as well as links to the websites of IVSC members, who may provide access to additional resources.
7. This Guide is a first step to providing practical assistance to the developing profession to support current and prospective member bodies in their efforts to become fully effective valuation organisations, contributing to economic growth and stability worldwide.
8. This edition of the Guide has been published in English, the IVSC's official working language.

9. This Guide is published only in electronic format on the IVSC website. The most current version of this Guide is that which is published on the IVSC website.
10. Other documents published by the IVSC that may assist in establishing and developing a valuation professional organisation include:
 - *The Code of Ethical Principles for Professional Valuers*
 - *A Competency Framework for Professional Valuers*
11. The IVSC may update this Guide on a periodic basis when it is considered to be of benefit to constituents. IVSC members and other organisations are encouraged to provide tools, case studies and guidance materials to supplement the existing guidance. Suggestions and requests for additional guidance and tools are welcome from all stakeholders.

Objectives of the Valuation Professional Organisation

12. In all countries, regardless of the general level of development, many people are involved in the valuation profession (e.g., business and intangible asset valuers, property valuers, machinery and equipment valuers, and valuers of financial instruments). They possess many different skills and function in many different capacities. They work in public practice, industry and commerce, and education and government. All are important and each group has distinct capabilities and competencies. However, sustained development of the valuation profession is best achieved by the creation of a valuation professional organisation with key objectives that will protect the public interest in all matters that pertain to the profession, establish professional standards (especially standards of professional conduct), and represent professional valuers.
13. The following are broad objectives for the valuation professional organisation:
 - to protect the public interest by ensuring that its members observe the highest standards of professional and ethical conduct;
 - to seek public recognition of a broad range of skilled services that professional valuers can provide;
 - to ensure that students of the profession acquire the knowledge, skills and values they need to become members of the profession, and that members maintain and develop that knowledge, skills and values throughout their professional careers;
 - to have good standing with students, members of the profession, regulators, governments, partner organisations, and users of valuation services;
 - to respond to the needs of its members;
 - to enhance its reputation;
 - to promote and protect the objectives and sustainability of the organisation and the valuation profession;
 - to maintain the legitimate rights of its members;
 - to ensure the professional independence of valuers in whatever capacities they may serve;

- to advance the theory and practice of valuation and related areas in all their aspects;
 - to determine the eligibility criteria for membership of the body;
 - to arrange for the assessment of candidates seeking membership where appropriate;
 - to develop and maintain effective working relationships with government and with other regional, national, and international valuation and related bodies;
 - to ensure that members obtain the necessary technical and ethical guidance that enables them to meet the needs of the community in areas in which they have special knowledge and expertise;
 - to carry out and publish research;
 - to set or contribute to standards in ethics and valuation; and
 - to lead its own development, working with various national and/or international stakeholders, and to ensure that its members have a “voice”.
14. This Guide provides assistance and suggestions about how these broad objectives can be achieved.

About IVSC Membership

15. As the worldwide organisation representing the valuation profession, the IVSC recognises the need for a strong and well-resourced valuation professional organisation. The IVSC's membership is comprised of:
- **Valuation Professional Organisations** – includes valuation professional organisations recognised either by legal decree or general consensus;
 - **Associate Valuation Organisations** – includes organisations at an earlier stage of their development, but that are structured so as to achieve Valuation Professional Organisation status;
 - **Corporate Members** – includes valuation companies and companies having an interest in valuation;
 - **Client Members** – includes entities with an interest in valuation standards that secure or use valuation services, such as lenders, accountants, insurers, asset managers, investment bankers, and others;
 - **Institutional Members** – includes not-for-profit entities, such as government agencies and regulators; and
 - **Academic Members** – includes universities, colleges, and other institutions offering advanced education.
16. The IVSC's membership requirements are set out in the IVSC Bylaws, which are available on the IVSC website. The IVSC recognises that the establishment of a well-resourced and sustainable valuation professional organisation requires the development and growth of the profession over the long term. Although not all the described activities need to be in place to satisfy the IVSC membership requirements, the valuation professional organisation should be financially and

operationally viable, have an appropriate and effective governance structure, and have established sufficient capacity to undertake critical activities where it has legal responsibility for the activities or, where these are necessary, to ensure that a high quality valuation profession is developed. For this reason, developing valuation professional organisations are encouraged to first focus their limited resources on developing and implementing the structures and activities described in this document.

The IVSC Membership Requirements

17. As stated in the IVSC Bylaws, the IVSC membership is open to valuation professional organisations that meet a set of criteria. The criteria are summarised as follows:
- The organisation is acknowledged, either by legal decree or by general consensus, as being a national professional organisation in good standing in the jurisdiction. In the case of general consensus, evidence exists that it has the support of the public and other key stakeholders.
 - The organisation is committed to participating in the IVSC and to promoting the importance of the IVSC and its programmes, activities and pronouncements.
 - The organisation is financially and operationally viable, and has an appropriate governance structure.
 - The organisation has an internal operating structure that provides for the support and regulation of its members.

The IVSC Membership Application Process

18. The IVSC membership application process requires an applicant to complete the application form available on the IVSC website. In support of the application form, the applicant must provide:
- evidence that the organisation is recognised either officially (e.g., by legal decree) or by general consensus;
 - a description of the role the organisation plays in professional standard-setting (e.g., valuation, ethics, education, etc.);
 - evidence that the organisation uses due diligence in admission and that standards for professional conduct are applied to those members and others who have a professional title or designation; and
 - details of the organisation's governance and operating structure that will enable it to provide proper support and oversight of its membership, including the following documentation:
 - a copy of the Constitution/Bylaws of the organisation;
 - copies of key internal operating procedures;
 - a copy of the organisation's Code of Ethics; and
 - audited financial statements demonstrating the organisation has the financial capacity to support their IVSC membership as well their own internal operations.
19. The Annual General Meeting of the IVSC, held in October or November each year, votes on the admission of new members on the recommendation of the IVSC Board of Trustees.

20. Developing valuation professional organisations are encouraged to contact the IVSC staff during the early stages of their development so they have an understanding of the process, and to establish a relationship with the IVSC staff who can assist in providing useful resources, tools and application materials, as well as in identifying mentors and twinning partners.

Glossary

21. The following definitions are used throughout this Guide:

The Council is the main governing body of a valuation professional organisation. It is responsible for leading the body to ensure its objectives are achieved and that it operates effectively and efficiently. It may also be referred to as the Board of Trustees or Board of Directors.

The IVSC is the International Valuation Standards Council. It is the worldwide organisation for the valuation profession and its objective is to build confidence and public trust in the valuation process.

An IVSC Member refers to a valuation professional organisation that has been admitted to membership of the IVSC and has retained its membership in good standing.

The President is the leader of a valuation professional organisation, elected by the Council. He/she provides leadership to the purpose and overall strategy of a valuation professional organisation. He/she may also be referred as the Chair of the Board.

The Chief Executive Officer (CEO) leads an organisation's achievement of its strategic objectives, and is responsible for the conduct of the day-to-day affairs of the body.

A valuation professional organisation has direct or indirect responsibility for the training and development of its members and those aspiring to membership, providing them with accreditation as a professional valuer, and for ensuring that they maintain competence and comply with rules of ethical conduct.

A professional valuer is a person who is a member of a valuation professional organisation. They include various types of professionals, such as business or intangible asset valuers, property valuers, and machinery and equipment valuers.

PART ONE:

Establishing a Valuation Professional Organisation

Part One: Establishing a Valuation Professional Organisation

Quick Start Guide

Introduction

22. This Guide has been prepared by the IVSC for the guidance of new and developing bodies.
23. New bodies may suffer from a lack of resources, whether financial, human, educational or technical. As a starting point, they may need to rely on unpaid volunteers to found and organise the body and to set it in motion. Their priorities are to attract political backing, build up a membership base and establish a reliable income stream.
24. Below is a framework designed to set these bodies in the right direction to eventually apply for Valuation Professional Organisation membership status of the IVSC.

Objectives of the Valuation Professional Organisation

25. Well-organised and respected professional organisations are an essential part of a fully functioning valuation profession. The main objectives of a valuation professional organisation include:
 - protecting the public interest by ensuring its members observe the highest standards of professional and ethical behaviour;
 - determining the eligibility criteria for membership of the body;
 - regulating members, including fielding complaints and, when necessary, disciplining members;
 - promoting the interests of its members;
 - determining the entry requirements for students;
 - promoting the education, training and certification of professional valuers (including continuing professional development (CPD) and practical experience); and
 - developing good relationships with government and other national valuation professional organisations.

Regulatory Structures and Professional Standards

26. A valuation professional organisation should have its own regulatory structure that fits into the national legal framework. In some countries, there may be a law that either recognises an existing organisation or that requires the creation of such a body, and which sets out criteria for recognition and the powers that it may exercise. Subject to any such legal requirements, the elements of a regulatory structure generally consist of:
- a Constitution and Bylaws for the professional body;
 - admission requirements to the professional body and a register of members; and
 - rules of professional conduct and ethics, which should be based on the IVSC's Code of Ethical Principles for Professional Valuers.
27. The professional body should also aim to develop disciplinary systems for those members who do not observe the body's rules.

Governance Structure

28. The main governing body of a professional organisation is its Council. This consists of a small number of senior members, who should be qualified to international standards. Council members may be elected by the membership at large or appointed by a selection panel. They are generally elected for a three-year term that can be renewable one or more times.
29. The Council is usually led by a President, who may have a Deputy President and a Vice President. They serve for fixed terms and are elected by their fellow Council members.
30. The Council may appoint committees and task forces to assist it in its activities. These committees and task forces often include:
- regulatory and disciplinary committees;
 - functional committees (e.g., finance); and
 - task forces for ad-hoc assignments.

Critical Institutional Capabilities

31. A professional body requires key institutional capabilities to be able to meet and further develop its objectives. A new professional body will soon need a staff of, at a minimum, a CEO and a Secretary, and have the capacity to:
- manage office administration;
 - keep an accurate and up-to-date register of members and students;
 - organise Council, committee and task force meetings, and use agendas and minutes;
 - organise members' services, communications, and national and international relations;
 - organise students, examinations and records of training;

- organise CPD;
- organise technical services for members;
- create a library;
- handle legal and technical issues and projects;
- handle public and press relations as well as promotion activities (e.g., seminars, conferences);
- establish and manage institutional relations with other professional bodies, government, development agencies and other stakeholders; and
- investigate the activities of and discipline its members.

Examinations and Practical Experience

32. As part of its admission requirements, a professional body needs entrance examinations and training requirements. A professional body should develop policies which cover:
- entry requirements to a programme of professional valuation education;
 - content of professional education programmes;
 - professional skills;
 - professional values, ethics and attitudes;
 - practical experience requirements;
 - assessment of professional capabilities and competence; and
 - CPD.

Support of Members

33. The professional body should aim to support its members by:
- supporting networks of active members, as a basis for sharing information, issues and ideas;
 - providing technical guidance and advice;
 - providing access to an up-to-date valuation information resource (e.g. a professional library and associated databases); and
 - providing access to relevant career planning and development resources.

Work Programme and Priorities

34. Newly developed professional organisations will need to prioritise their projects to further progress and reinforce their programmes and activities. Some of these priorities are listed in Part 4 of this Guide.

Establishing a Valuation Professional Organisation

35. The motive for establishing a valuation professional organisation may be a governmental initiative to promote a national approach to regulation of the profession, or it may be a group of committed professional valuers who wish to establish a focused identity for their activities. These activities may range from facilitating networking among peers, to providing information and education, to promulgating and enforcing professional technical and ethical standards or establishing a benchmark standard for valuers in the country.
36. The activities of a new valuation professional organisation will depend on the resources available. However, the overriding objective of the organisation should be consistent with one of the objectives of the IVSC – the development and enhancement of a valuation profession able to provide services of consistently high quality in the public interest. Communicating this crucial role of working for the public interest should make clear to potential members, the government, and the public at large the need to support the valuation professional organisation, and result in the organisation obtaining their support.
37. Organisations and their activities change over time. A valuation professional organisation that was initially established to provide its members with an opportunity to network may well develop — indeed, should develop — into a valuation professional organisation that has the objective of maintaining and improving the quality of professional services and, ultimately, serving the public interest. Those involved in the initial formation of an organisation should seek assistance from countries with more developed professions.
38. The IVSC encourages the development of organisations that represent professional valuers and the valuation profession as a whole, regardless of the sector in which their members operate – public practice, industry and commerce, education or government. However, the IVSC recognises that some organisations have been and will be formed to serve only members engaged in a specific sector or function.

Legal and Organisational Structure

39. For an organisation to thrive, it must have a clear sense of direction and be sure of its objectives and how to achieve them. Before addressing the legal and organisational structure of a new valuation professional organisation, it is important to agree in principle on the organisation's key goals, objectives and activities and on a broad timetable for implementation. These decisions must take into account the profession's stage of development within the country and the financial and human resources that will be available to it.
40. Some of the factors to be considered in determining the most appropriate legal and organisational structure for a new professional body are:
 - the purpose behind the establishment of the professional body;
 - the existing legal framework, if any, for the regulation of the profession;
 - how the profession and the government are likely to interact, including the amount of government involvement in the day-to-day activities of the professional body;

- the nature of the needs within the profession for continuing education programmes;
 - the estimated future demand for professional valuers within the country;
 - the extent and quality of the educational system for the development of professional valuers, including the nature and extent of potential education and training providers;
 - the specific activities and programmes that will be carried out by the valuation professional organisation and those that will be undertaken by governmental bodies or other organisations; and
 - the resources that are likely to be available to fund the activities of the proposed valuation professional organisation, including the funds which will be available for initial investment as well as those which will finance future operating costs.
41. The next step is to secure a broad agreement on the legal and organisational structure that will best ensure that the organisation's activities are carried out efficiently and effectively. It is important to recognise that many functions will need to be carried out voluntarily by members until resources allow the hiring of an adequate number of qualified staff. Initial decisions on structure will involve at least the following matters:
- categories and requirements of membership (e.g., full, associate, student);
 - “grandfathering” provisions for membership (i.e. provisions for the admission of the predecessors of those who qualify after the professional body has its own entry requirements);
 - composition, authority and responsibility of the ultimate governing body (referred to in this Guide as the Council) and of any executive committee or group empowered to act for the Council;
 - authority and responsibility of the CEO;
 - authority and responsibility of standing committees; and
 - the membership designation(s).

Constitution and Bylaws

42. After agreement has been reached on the activities of the proposed organisation and on the basic structural matters identified above, work can begin on developing formal organisational documents such as a charter, articles of incorporation or Constitution and Bylaws.
43. The Constitution for the valuation professional organisation is the formal document setting out the name, purpose and requirements for governance of the organisation. It also provides the requirements for membership, membership rights and powers, the disciplinary system and requirements regarding suspension, removal from, and re-admission to membership.
44. Often, valuation bodies choose to establish a set of Bylaws that set out various high-level policy requirements not necessarily covered in detail in the Constitution. Depending on the governance structure of the body, Bylaws can usually be amended and updated more easily and frequently than a Constitution.

45. The development of the Charter or Bylaws will involve a number of more detailed decisions on elements which would need to be included within them. These elements include, for example, the formation of the key governing body, often referred to as the Council, the requirements for members to maintain their membership, or the need for promoting the interests of the profession. These examples and others are described in *Appendix 1, Items to Consider for Introduction in Charters and/or Bylaws*

Regulation of the Profession

Regulatory Structure

46. The valuation professional organisation should have its own regulatory structure. This should comply with any relevant national legal requirements. Otherwise the regulatory structure should consist of:

A Constitution and Bylaws	for the professional organisation
Admission requirements	and a register of members
Rules of professional conduct and ethics	these rules should be based on the IVSC's Code of Ethical Principles for Professional Valuers
Valuation standards	members of the organisation should be required to follow the International Valuation Standards issued by the IVSC except where required by national law to follow an alternative valuation standard
Disciplinary systems	for members who breach the body's rules of conduct

Working with Government to Protect the Public Interest

47. Governments may have an interest in ensuring that the profession is properly regulated, and that its structure and governance reflect the public interest. In working with the government, the group forming the professional body should therefore keep in mind that there is a range of common interests. Additional considerations include the scope of the mandate the government has in forming the professional body, where government is being proactive in establishing the body, and from where that mandate comes. The group must also consider how to work with other key stakeholders, such as representatives of the business and investment community. Working effectively with government and other stakeholders is more likely to lead to the development of a professional body that meets the needs of the government, the profession and the broader public interest.
48. Professional bodies also have a responsibility to maintain involvement in other areas affecting the profession. The professional body should therefore seek to contribute to other parties developing any standards and legislation that would have an impact on the profession. This could be achieved

by participating in work groups, developing standards or legislation, or providing comments on drafts.

49. For the profession to flourish and obtain public recognition, there needs to be an appropriate legal and regulatory framework governing the profession. That framework must, of course, be consistent with basic governmental regulatory philosophies. At the same time, every effort should be made to avoid excessive regulatory burdens on valuers or unnecessary or inappropriate limitations on the authority of the valuation professional organisation. The group forming a new valuation professional organisation should begin at a very early date to work closely with government to develop an appropriate framework. To achieve success in that regard, it is important for members of the founding group to be the primary liaisons with government. It is also important for those members to have the assistance of a qualified, well-regarded lawyer in drafting or reviewing the required legislation. The law, once enacted, will need to be kept updated.
50. To achieve the varied objectives of the members of the profession, individually and as a group, the valuation professional organisation must be able to act effectively as a respected spokesperson for the profession on valuation and other financial matters with government, the public, and other interested groups and individuals. This is especially important when major changes are under consideration. The body must therefore have the necessary technical expertise to pronounce on a broad range of subject matter, across the whole economy, and to speak with authority on relevant issues.
51. Although an appropriate legal framework is an important step in obtaining public recognition of the profession, a valuation professional organisation must continuously earn that recognition. A valuation professional organisation will be held in high public esteem when it demonstrates its commitment to maintaining and improving the quality of the services its members provide and when its public statements and positions are perceived as being in the public interest.

Governance

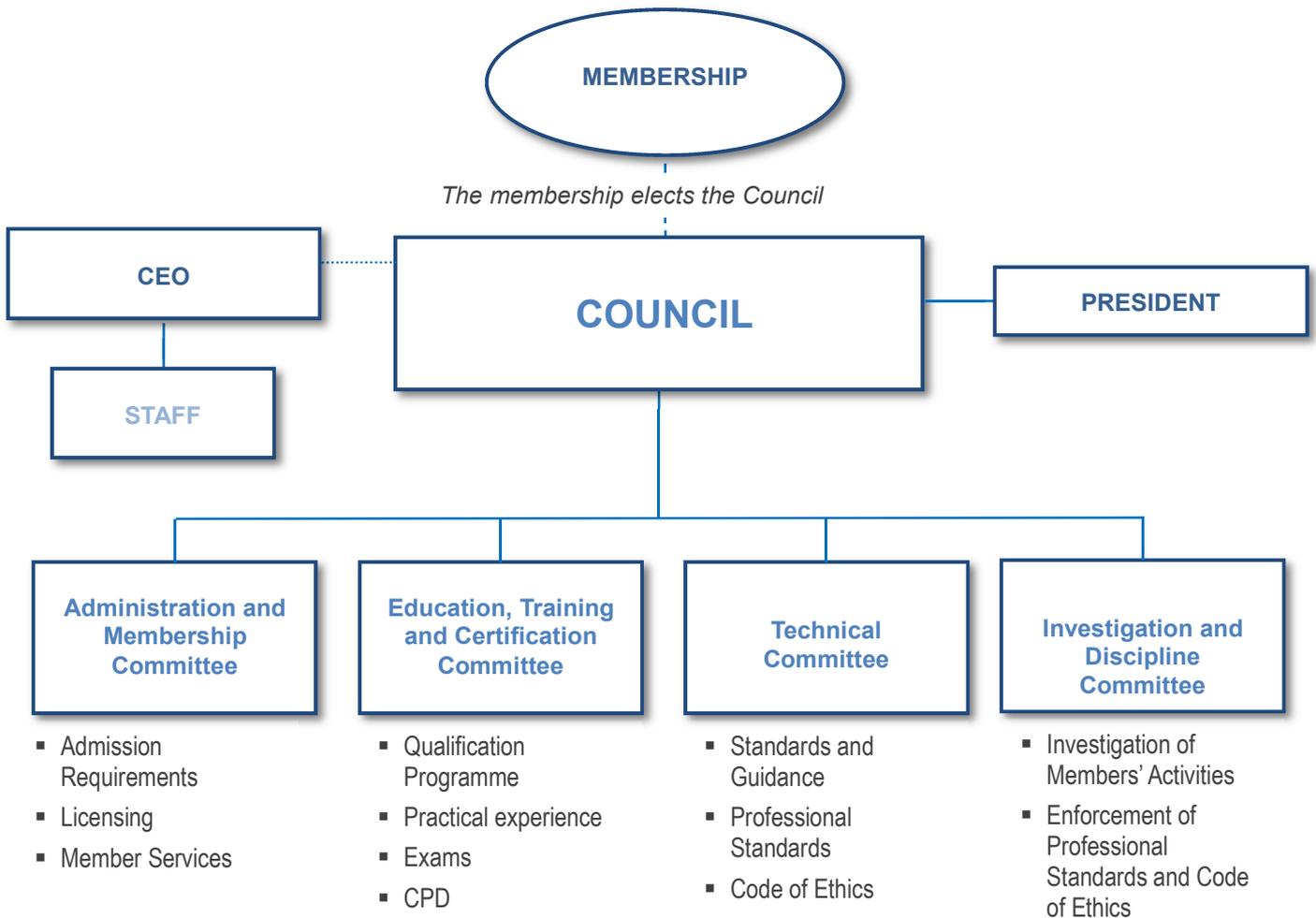
Overview

52. It is widely recognised that a strong and well-governed valuation professional organisation will produce and sustain a strong valuation profession that is able to serve the public interest and contribute significantly to economic stability and growth. The successful valuation professional organisation gains much of its strength from the sense of identity that members derive from membership (via membership privileges as well as public interest) and from the contribution that individual members and firms are prepared to make to the organisation. This sense of identity also encourages compliance with professional standards and ethics and other requirements of membership.
53. In the early stages of establishing a new professional body, it will not always be possible to establish all of the expected structures for good governance. For example, a shortage of staff might mean that some additional tasks need to be undertaken by Council members or other volunteers. However, it is important to adhere to the principles of good governance, most particularly to ensure

that individuals are acting without conflicts of interest and that there is adequate separation between executive and oversight functions.

54. The main governing body of a valuation professional organisation is its Council. Council members may be elected by the membership or appointed by a selection panel, usually for a specified term which may be renewable. In determining the size and composition of the Council, consideration should be given to adequately representing the range of membership, while also creating a group that is small enough to work efficiently. The Council is, first and foremost, accountable to the membership (as the organisation, as a whole, is accountable to the public and other external stakeholders). The organisation's members will be entitled to attend and vote at the Annual General Meeting and should also be empowered to call for a special general meeting, as necessary, should matters of concern arise. At the Annual General Meeting, the members will, amongst other things, receive and be invited to approve the Annual Report of activities and the audited financial statements of the valuation body, appoint the auditor, approve subscription levels for the following year and elect the members of the Council.
55. The Council is normally led by a President who is elected either directly by the members or by fellow Council members, usually for a fixed term. Many bodies also have one or more Deputy President(s) or Vice President(s), who are also elected by the members or the Council.
56. The mission of a valuation professional organisation is carried out through the work of volunteer members and staff, which includes a regular liaison with and service to members of the body. Regardless of the size of the organisation and the resources available to it, the efforts and contributions of volunteers are important. The organisation learns about changes in the environment in which its members work and about their needs for support and services from the organisation through regular contact with members and those who volunteer their time to develop the organisation. It is through volunteers that the organisation obtains much of the intellectual resources required to prepare standards, publications and educational materials and maintains contacts within the government, business and other communities.
57. At the same time, the staff are also important and can:
 - leverage and maximise the contributions of volunteers;
 - help ensure compliance with the directives of the governing body;
 - carry out important administrative, public relations and liaison functions;
 - provide desirable continuity and historical perspective;
 - undertake operational work to ensure that the goals set by the Council are achieved; and
 - act as a contact point for members.

Sample Valuation professional organisation Organisational Structure



The Council

58. The Council is responsible for leading the body to ensure its objectives are achieved and that the body operates effectively. The Council is responsible for the body's strategy and general policies and for monitoring the achievement of the strategy. In the early years, the Council will likely take a more direct role in dealing with operational and technical issues that, in a larger organisation, would be delegated to a standing committee or staff.
59. The Councils of most valuation bodies generally meet several times a year. In the initial stages of establishing a valuation professional organisation, the Council would need to meet more frequently. The Bylaws of valuation bodies often provide for an executive group or committee – perhaps consisting of the President, Vice President, a few very senior members of the profession and the CEO of the valuation body – that meets more frequently and acts on behalf of the Council between Council meetings.

60. Members of the Council are elected by, and accountable to, the membership and should adequately represent the range of sectors of the membership.
61. Council members should be members of the valuation professional organisation. The exception to this may be the appointment of a limited number of others, including “public members” and others who may be nominated to the Council by the government or regulatory body. Those members can provide transparency to the governance and operation of the valuation professional organisation and ensure that the body continues to act in the public interest, as well as in the interests of its membership. Some valuation bodies may choose to appoint a student representative to serve on the Council to represent the interests of student members.
62. A term limit for Council members has also proven to be useful as it ensures that new ideas and perspectives are injected into the Council. However, Councils should not be changed too frequently as it may not allow enough time for the valuation professional organisation to develop and implement projects in the medium or long term.
63. The duties and functions of a Council may include:
 - electing the President, Deputy President and Officers;
 - approving the valuation professional organisation’s strategic plan and key initiatives;
 - approving policy in major areas;
 - approving the body’s budget and Annual Report; and
 - approving potential changes to the body’s Constitution (prior to a vote by the membership).

The President

64. The President (sometimes referred to as the Chairman) is the leader of the valuation professional organisation, elected by the Council or the membership, usually for a defined term. Some valuation bodies allow the President the opportunity for re-election for one or more terms, however many restrict the role to one term. The President is usually a volunteer.
65. The President is appointed by the Council and accountable to the Council, the committees of the Council, and the membership of the valuation professional organisation.
66. The role of President involves leadership, representation, communication, and promotion of the valuation professional organisation. His or her role is to ensure that the body develops and maintains a strong progressive identity as a professional organisation responsible to the public, its members and the communities it serves. He/she provides leadership and guidance to the purpose and overall strategy and policies of the valuation professional organisation. However, when the President is appointed for a relatively short period of time (e.g. one year), his/her ability to provide this leadership is limited. As the leader of the valuation professional organisation, he/she also chairs the Council meetings and the Executive Committee (if one is established), and ensures that the body acts in the public interest.

67. As the main representative of the body, the President liaises with all relevant stakeholders on a regional, national, and international basis. This advocacy role may also be achieved in partnership with an appointed CEO. In representing the profession, the President should ensure that the independence of the valuation professional organisation is preserved.
68. The role of President requires communication with students, potential members, and academia. The role also involves promotion of the body and, in turn, is the medium to bring back to the body the voices of those with whom the President communicates.
69. A key obligation of the President is awareness of current issues and developments affecting the valuation profession on a regional, national, and international level and to drive strategic guidance to address such issues.
70. The President should represent the body at all meetings of importance with:
 - the membership;
 - government;
 - other professions and professional groups;
 - international valuation bodies;
 - visiting dignitaries; and
 - development partners.
71. The President works closely with the CEO of the valuation professional organisation. The President leads the governance team, whereas the CEO leads the management team and implements the strategic projects defined by the President.
72. The President's role is a very demanding one, and likely to be time consuming. Often, the President is also in full-time employment, and he/she should therefore give particular consideration to the extent to which he/she will be able to devote the necessary time to the role. The President should also ensure that he/she has the full support of his/her employer in accepting the appointment.
73. A Deputy President and/or Vice President may also be elected by the Council to assist the President in his/her duties. He/she substitutes for the President in his/her absence. The Deputy/Vice President may or may not be the automatic successor when the term of the President ends.

Strategic Planning

74. An important role for the Council is the development of a strategic plan. The strategic plan guides and drives the valuation professional organisation's activities and priorities for a specified period. In other words, a strategic plan determines where the organisation is going, how it will get there and how it will know if it gets there. The strategic plan also helps to clarify the organisation's plans and ensure key leaders are all "on the same page", and it serves as the guidepost for the whole

organisation, including the Council, committees and staff, whose activities and priorities should support the organisation's overall strategic direction.

75. The strategic planning process starts with a focus on the organisation's mission (and vision and/or values if considered desirable) – what does the organisation stand for and what is its overall purpose? Next, goals to work towards achieving the mission are identified and strategies to achieve those goals are articulated together with a timeframe for when those strategies and tasks will be completed. A list of key performance indicators, stating specific tasks to be completed by a specific timeframe as well as the staff responsible for the various related tasks, is often a valuable resource to keep all parties focused on key priorities.
76. For organisations new to the strategic planning process, it may be helpful to invite an expert facilitator to help develop the strategy. A planning group could be established to develop the strategic plan. Often this could involve all members of the Council, in other cases this might involve the CEO and the President and various other appointed individuals. It is important that the planning group is representative of the professional body's membership and interest groups.
77. The strategic plan should be regularly reviewed to ensure it remains appropriate, taking into account developments within the national and global environment in which the professional body operates. It is also important that regular reports are prepared comparing progress with the objectives and priorities set. *Appendix 2, Sample Strategic Plan Outline*, illustrates examples of matters to be considered as part of the strategic planning and development process and the way in which the strategic plan may be presented.
78. The strategic plan should be accompanied by a financial strategy and plan. This is a particularly important document for newly established and developing professional bodies, since it will help to reassure members and other key stakeholders of the financial viability of the body in both the short and the medium to longer terms. The financial strategy and plan should be designed to answer some key questions, including:
 - What investment is required to establish the body, over what timeframe, from which source(s) and at what cost?
 - What is the operating cost profile of the body over the next 3-5 years?
 - What revenue streams will be available to the body? How are these likely to change over time? Are these sufficient to finance the body's operating costs and provide for the investment needed if this has to be generated internally?
 - If the revenue streams are insufficient to meet the body's needs, what other sources of revenue are available? Could a mentor suggest ways of closing the revenue gap?
 - Is the financial strategy and plan capable of supporting the achievement of the body's overall strategy? If not, what needs to be modified?

Committees

79. An effective committee structure generates sound group judgment, provides continuity of thinking, and helps bring together a cross section of member knowledge and experience. Committees

enable members to have a direct involvement in the affairs of their valuation professional organisation and serve as a training ground for future leaders of the profession.

80. Committees are especially important for the valuation professional organisation and may be formed to ensure that the views of appropriate member and often non-member constituencies are adequately considered. In a small organisation, committees, supported by volunteers, may perform tasks that, in a larger organisation, would be delegated to staff. A good committee structure also helps the organisation stay attuned to the environment in which professional valuers operate.
81. The main disadvantages of committees are that they take more time and cost more than the work of one person on a given project. Meetings must be scheduled and held, travel may be required, materials need to be prepared both before and after meetings, and time must be taken to air views thoroughly and to build a consensus. These are the simple realities of committees operating within a valuation professional organisation. However, those realities can become distinct negatives when committees are larger than they need to be or when they include members who are frequently absent, do not prepare for meetings, do not participate in discussions, or generally adopt an uncompromising attitude in the consensus-building stage. The CEO and the volunteer leaders must make it clear to potential committee members that committee service is a privilege, not a right, and that constructive and active participation is required, often between meetings as well as at meetings. This can be facilitated by introducing a code of conduct for the Council and committee members.
82. Standing committees are permanent committees of the Council, generally appointed by the Council and charged with formulating policy. In the early years of a valuation professional organisation, these committees are often required to obtain Council's approval of the policies they support, until a sufficiently widely held consensus on the direction of the organisation has developed. Where standing committees have complete autonomy, it is usually prudent to inform the Council of major new developments. Eventually, a simple scheme of delegation can be developed which clearly distinguishes the Council's authority from the committees' authority.
83. It is likely that, at the beginning, a limited number of standing committees addressing the following areas will be sufficient:
 - **Admission and Membership** – to establish the requirements for being admitted to and expelled from membership, and the services to be provided to members. This committee would also manage membership dues and financial matters.
 - **Education, Training and Certification** – to set the education and training standards for members, to develop an accreditation programme, and to oversee the examination/assessment process, where appropriate. Where the valuation body educates, trains and examines its own students, a separate examination board or committee should be established.
 - **Professional Practice and Standards** – to formulate policies regarding the development of technical, ethical and professional standards, including valuation standards.
 - **Investigation and Discipline** – to investigate members' activities and enforce compliance with the code of ethics, professional standards, laws, regulations and other pronouncements

of the body. In the interests of transparency and public confidence in the disciplinary process, a professional body that has these duties should consider appointing a lawyer and one or more public members to serve on its Discipline Committee.

84. Volunteers' technical knowledge and skills can also be utilised through working groups or task forces. These groups should be task-oriented, not permanent, and be formed by the standing committees to provide technical advice to these committees on specific matters, and the need for them should be regularly reviewed. These working groups might cover specialised areas and individual projects such as:
- new valuation standards or guidance;
 - revisions to ethical requirements ;
 - examinations (standards, assessment methodology and criteria); and
 - syllabus/qualification development and review.
85. There could also be working groups that contribute to the development of the organisation. Examples of these are:
- member services;
 - CPD; and
 - marketing and communications.
86. Committees constituted of volunteers can add value to a valuation professional organisation. Nevertheless, providing appropriate support to committees and working groups can consume a large amount of administrative resources. It is important to keep formalities to a minimum, limit the number of committees and working groups, and ensure that they are focused on actions and outputs that will achieve the organisation's objectives.
87. As the organisation develops and as these groups gain experience, it may be appropriate for some to take on permanent status. However, this should be done carefully because having too many committees can spread resources too thin and slow down the decision-making process. Over time, the Council may form other committees to carry out specific tasks, including:
- **Audit Committee** – assists in ensuring the body maintains adequate accounting records and develops and maintains effective internal control systems.
 - **Nominations Committee** – considers and recommends individuals to serve on the body's various committees.
 - **Remuneration Committee** – makes recommendations on the costs and remuneration for the body's executive staff.
 - **Quality Assurance Committee** – oversees the quality assurance review system established by the valuation professional organisation.
88. Although it may be difficult to achieve in an organisation with a small membership, serving on more than one committee should be discouraged. This is because of the time that service on even one

committee requires, and because involving as many members as possible builds loyalty to the organisation. For the same reasons, it is important to adopt reasonable limits on the number of years a volunteer may serve on a committee.

Planning the Committee's Work

89. A successful committee requires good management, which includes planning, organisation, implementation and evaluation. The committee's objectives must be reconsidered and its programmes and activities monitored regularly to ensure that the committee is meeting the needs of the organisation's members. Included in this review should be an evaluation of the continued usefulness of a committee.
90. The objective of each committee should be described clearly so that it can be understood by all and, therefore, lessen the possibility of duplication or overlapping responsibilities among committees. Once the objective is set, it should then be translated into a specific action plan for the year that includes a timetable for beginning and completing activities. The action plan may call for a variety of activities, including the development of professional standards, publication of books, articles and reports, and sponsorship of conferences and seminars. All existing programmes should be evaluated at this time for the relevance to the objective and effectiveness of the activity. Programmes that are unsuccessful should be either revised or eliminated.
91. Annually, the committee and staff should review the committee's objectives, secure necessary approval for any needed changes, and develop a plan for carrying out appropriate programmes and activities for the next year.
92. After the committee has decided on the next year's programmes and activities, the committee's size and structure (i.e., subcommittees, working groups or task forces) should be evaluated so that the activities can be performed effectively. Projects may require participation by the full committee, subcommittees, task forces, or individual committee members with appropriate staff support. For projects requiring the work of subgroups or individual volunteers, special effort should be made to select individuals with a recognised capability and interest in the area. In some instances, this may mean recruiting people from outside the committee. Assignment of committee and staff responsibilities for each project should be communicated clearly.

Reporting to Council

93. All committees should prepare formal reports on their activities to the Council regularly and to the membership once each year.

The Management Structure

The Chief Executive Officer

94. The sustainability of any organisation is significantly affected by the quality of the management of its operations. As soon as resources allow, the Council should appoint a full-time person to assume responsibility for the day-to-day management of the organisation. The job title will vary among different professional bodies.
95. The CEO fulfils a leadership role for the valuation professional organisation, leading the organisation's achievement of its strategic objectives, defined by the President and Council, and is responsible for the conduct of the day-to-day affairs of the body.
96. The CEO is a strategic partner of the Council. The CEO should attend all Council meetings and report on the implementation of policy and strategic issues, operations and performance against strategic objectives, including financial performance against budget. The CEO works in close cooperation with the President in presenting to the Council informed and sound recommendations for action.
97. Although the President is primarily responsible for representing the professional body and presenting its mission and role to the membership and the public, the CEO can support the President and represent him/her in this role, when needed.
98. The CEO is responsible for staff recruitment, performance management and, ultimately, for ensuring the policies approved by the Council and its committees are carried out effectively and efficiently. The CEO is the role model for staff in the professional body, as he/she occupies a pivotal position in the body and staff take instructions from him/her. He/she articulates the professional body's vision to staff to imbue them with enthusiasm for what they do.
99. Selection of the correct individual is crucial to the success of the organisation. The CEO will need to be:
 - an experienced senior manager;
 - able to think and plan strategically;
 - creative and energetic, with the drive to develop the organisation;
 - an excellent communicator;
 - able to understand financial issues; and
 - socially skilled and able to establish and build key contacts.
100. The role of the CEO, in collaboration with the Council and other volunteers, is to:
 - formalise a detailed long-range strategy and work plan, including specific target dates;
 - develop and direct the staff and engage with the committee structure to carry out activities;
 - provide advice and counsel to the President, Council members and other volunteers;

- build and maintain effective relationships with government, business and professional communities, educational institutions and donor/funding agencies;
 - ensure that licensing and disciplinary proceedings are pursued impartially and effectively according to statute or the professional body's rules;
 - ensure that the Council, members and other relevant persons are kept informed of regional, national, and international developments affecting the valuation profession, including the work of the IVSC;
 - manage the resources and staff of the organisation in accordance with budgets and policies approved by the Council; and
 - report to the President and Council on progress towards the organisation's goals.
101. Managing a valuation professional organisation requires a highly competent and committed CEO. Such persons are usually much in demand and a young organisation may be unable to attract such a person because it cannot offer sufficient pay or status. If it is not possible to attract a sufficiently experienced local person, it may be possible to obtain the services of an experienced administrator from an existing member body for a period of time, either on a full- or part-time basis, to train the local staff.

Staff Support

102. The CEO should appoint technical and support staff to various roles in the professional body, as funding is available. Job descriptions should be developed for each member of staff.

Financing the Body

103. The timely production and presentation of the annual and periodic management accounts to the Council is essential for good governance, as are the processes of developing a strategic plan, and drawing up short- and long-term budgets and business plans. Members are entitled to be kept informed of these developments through the Annual Report and at the Annual General Meeting.
104. A small membership base will almost always severely restrict the resources available to a valuation professional organisation. In such cases, serious consideration should be given to developing affiliations with others for the purpose of shared activities, such as continuing professional education, member services and examinations; these can also be sources of revenues. Other sources of revenue should also be explored. They might include:
- government grants;
 - sponsorship of specific initiatives;
 - donations;
 - overseas aid agencies;
 - charitable sources;
 - advertising space; and

- firms.
105. Donor agencies, such as the World Bank, can provide funding for projects aimed at strengthening a country's institutional framework, including the professional body and regulatory agencies.
 106. Although seed funding from outside sources may be required in the early years, eventually the organisation must generate sufficient revenues to cover all its operating costs and allow for some investment in development. The members of a new valuation organisation should be committed to providing a certain level of financing at each stage of its development, so that at no stage is there undue dependence on outside financial support. An excessive reliance on outside support creates a dependency that may affect the nature and scope of the organisation's activities and is not in the long-term interests of the members.
 107. Funds from members and students will need to be raised in two ways: as dues, in payment for the rights and privileges pertaining to membership (e.g., membership dues and license fees), and as recompense for services received such as courses, examinations, registration, educational materials, professional development activities and participation in promotional events.
 108. Valuation professional organisations need to consider several factors in setting up annual membership dues including the number of members, the ability for the members to afford the dues, the level of national GDP as well as the proposed activities or member services that the organisation intends to carry out during the year. Valuation professional organisations will also need to carefully consider the different levels of membership and focus on the possible benefits for each category of membership to ensure that the organisation has the best responses for each category. As valuation professional organisations develop and gain prominence, they should review their membership due structures periodically to ensure the dues reflect the value being provided to its members.
 109. As mentioned above, the valuation professional organisation can also obtain revenues in exchange for various services not covered by the annual membership dues. Examples of these services may include:
 - workshops and seminars, charging members some basic fee;
 - paying e-learning CPD courses provided through the internet; and
 - delivering discounted member benefits especially negotiated for the members of the professional body (e.g., professional and fee protection services).
 110. In addition, other means can be used by the valuation professional organisation to increase their revenues or facilitate the acquisition of goods, such as:
 - providing stands for companies that may want to demonstrate their products to members at the professional body's conferences in exchange of fees; and
 - using rent-to-own as a way to acquire equipment, such as computers. This allows the professional body to obtain equipment without parting with a large sum of money upfront. Instead, the professional body pays monthly instalments and becomes owner of this equipment at the last payment. It should be noted, however, that rent-to-own often entails a long-term commitment.

Accommodation and Equipment

111. The organisation will ideally have its own independent premises. A balance should be sought between the organisation's financial realities and its status as a recognised professional body. Location of premises and ease of access (e.g., nearness to public transportation) will be important. In selecting premises, professional bodies may need to consider whether it has the resources to rent or purchase premises of sufficient size to accommodate CPD or other training courses. Where funds are not available in the earlier years to accommodate these activities, the professional body may form arrangements with training institutes or other professional organisations to rent or use their space.
112. Office premises and related maintenance could be a major call on resources. Care should be taken not to enter into long-term leases that may be expensive to terminate if the need for space grows. Small premises on short-term leasing agreements will provide more flexibility. Space rented from a friendly organisation may provide services and infrastructure without the set-up costs. A few organisations have been successful in joining with other groups to form a "professional building" where savings can accrue from sharing messengers, office cleaning services, and equipment.
113. Basic equipment – telephone, computer and printer – is essential. When purchasing or leasing office equipment, the level of service offered by the supplier should be taken into consideration. The usual office furniture including desks, chairs and filing cabinets should be acquired if not provided as part of the leasing arrangement.

Marketing and Promotion of the Profession

114. Effective marketing is essential for the long-term success of any organisation. A professional body that carefully plans and coordinates its marketing activity stands a greater chance of achieving its strategic objectives.
115. The initial marketing focus for a new professional body should be on building awareness with key target audiences, attracting students and ensuring effective service delivery. The aim should be to build a critical mass. With higher growth, new priorities will be important, such as increasing partnerships and providing added-value services to members, including career support, training and development, and technical resources.

Research and Planning

116. To implement an effective marketing strategy, an organisation must first understand the environment in which it operates. The three key components of the marketing environment are the macro environment, the micro environment and the internal environment:
 - **Macro environment** – social, legal, economic, political and technological factors;
 - **Micro environment** – students and members, stakeholders (industry leaders, employers, regulatory bodies, education institutions), suppliers (tuition providers) and competitors (national and global); and

- **Internal environment** – finances, human resources and infrastructure.
117. Research and analysis of each of these areas ensures that the organisation:
- is aware of the external factors that could potentially impact the organisation;
 - gains an understanding of potential customers, decision-makers and competitors; and
 - has a good awareness of its own strengths and limitations.
118. The findings of the research will enable the development of realistic and achievable marketing plans and allow the organisation to make informed decisions on key marketing issues such as brand positioning, competitive advantage and developing a marketing strategy.

Brand Identity

119. A brand is a powerful tool in communicating to students, members and the wider business community the organisation's values and market position. The brand is the expression of the unique value that the body offers to its customers and stakeholders. A new valuation professional organisation has the opportunity to establish its brand identity at the organisation's inception. A consistent brand image helps create awareness of an organisation and fuels perceptions of quality and professionalism. Brand components that can be easily implemented include:
- a name that conveys what the organisation does and what it stands for;
 - brand values that are consistent with the objectives of the organisation;
 - a memorable logo that is used consistently in all communications;
 - a consistent design and style that is used in all correspondence, in literature and on the website; and
 - the recruitment and training of people who fit with the organisation's brand values.
120. A valuation professional organisation that is a member of the IVSC is encouraged to include the IVSC logo on its stationary and website, subject to prior consent from the IVSC as to the context in which it is to be used.

Protecting Intellectual Property

121. Intellectual property is a valuable asset for any organisation and should be adequately protected. The organisation's name, including its acronym and any associated brand, such as the designation or qualification, is the most basic intellectual property asset and arguably the most important. The organisation's reputation could be seriously damaged if another organisation or individual were to use its name. Legal protection can be obtained by registering the organisation's name as a trademark. Other areas of intellectual property that should be protected may include: product and service names; logos; qualifications; and domain names. It is recommended to seek advice from a specialist with expertise in the area of protecting intellectual property.

Communications

122. Magazines and newsletters are an effective medium for communicating to members the latest news about the organisation and current issues affecting the profession. These publications can also be used as tools to promote services and products, such as events and courses. The costs of the production and delivery can be reduced by issuing the communication in electronic format or by seeking advertising revenue.
123. The internet is a key delivery mechanism for communicating information and encouraging interaction with customers and stakeholders. It is increasingly becoming the first point of call for those who are seeking further information about the qualifications and services offered by professional bodies.
124. The design of a website should give due consideration to both structure and content to ensure that relevant information can be easily sourced by all potential customers and stakeholders. In addition, it is important to take into consideration the organisation's future strategy so that the website can accommodate the future needs of the organisation and its constituents. It is suggested that a basic website is constructed and launched to raise awareness of the organisation. The website can then be developed further as resources allow. Additional issues that need to be addressed when initially developing a website include:
 - registering appropriate website domain names;
 - ensuring that the website design is consistent with the brand; and
 - developing a website within the organisation's technological limitations.
125. Personalised one-to-one communications should be used when it is imperative that a particular message is conveyed to members.

Promotion

126. The promotion of a new professional body will cover various stages and inevitably require a combination of promotional techniques to ensure that messages are effectively communicated to the right people at the right time.
127. Initially, the organisation should concentrate on creating awareness of its existence among industry leaders, regulators and government, as well as potential members. Key influencers should be consulted on a one-to-one basis at an early stage and invited to provide input or feedback on proposals. Gaining their support at the outset will not only provide the organisation with access to a pool of experts, but also aid future promotion to potential members and the public at large.
128. A planned and coordinated public relations (PR) campaign is vital in raising awareness of a new professional body. Links with leading national and business press and other media groups need to be established at an early stage. The public support of high-level influencers will be essential in generating wide PR coverage and will help ensure that awareness and interest in the new body is created among potential members and other stakeholders. Through the PR campaign, it will also

be important to build relationships with the business community as well as universities and related professionals. The professional body can leverage these relationships to further develop its membership, and therefore its own resources.

129. Promotion to potential members and students should be planned and coordinated to deliver both a successful initial recruitment exercise and sustained student and member growth. It is imperative to understand the needs and aspirations of potential members and to consistently incorporate these into campaign messages. It is also important to encourage partners and other stakeholders, particularly tuition providers and others involved in delivering qualifications, to be active in promotion. The valuation professional organisation should recruit students in a way that matches its capacity to deliver qualifications and services to them. Promotion should also be targeted to ensure the recruitment of appropriate students whose association with the valuation professional organisation will enhance its reputation and status, and who are in a position to satisfy the organisation's requirements. If the students who are recruited are unable to satisfy the organisation's requirements, the reputation of the valuation professional organisation could be undermined. It will also make it less likely that students will recommend the valuation professional organisation to others and recommendations are a vital source of acquiring new students and building the organisation's reputation.
130. The promotional techniques chosen to target potential students and members will depend on the market, audience, costs and resources. Events and exhibitions should be at the centre of the programme. Select advertising may be used in the marketing strategy, especially to develop awareness. However, this should be targeted so that it builds awareness with key target audiences, such as potential students and their career advisers and employers. An effective promotional campaign will incorporate a combination of the following activities:
- exhibitions;
 - presentations;
 - one-to-one meetings;
 - direct mail campaigns;
 - advertising; and
 - building relationships with employers of potential members and students.
131. Other stakeholders play a vital role in the decision-making process. For instance, since employers and education institutions frequently influence a student's choice of a professional body, the needs of these groups must also be addressed. In the early stages, the focus of relationship building should be on growing capacity in the market for tuition and employment of professional valuers. Influencers can be utilised to encourage support from these stakeholder groups.

Member Services

132. Members expect efficient and economic service from their professional body. It is essential that a customer-focused culture is established and that the people within the organisation have the expertise and resources to meet reasonable expectations. Members' services not covered by the annual membership fee may be charged at market rates. The introduction of initiatives such as

service-level targets, satisfaction surveys, complaint procedures and suggestion schemes can assist in managing customer expectations, communicating customer service goals to staff and facilitating a culture of high standards, innovation and improvement.

The Register of Members

133. In order to maintain and continue to build relationships with its members, valuation professional organisations will need to build a database that serves as a register of members. This will assist the valuation professional organisation in providing its members with specific services, developing communications tools and building statistics about its constituents.
134. The database may also be necessary for keeping information about professional valuers allowed to practice and disclosing that information to the public.
135. Bearing in mind any local data/privacy protection legislation, the minimum information needed for building an effective database should include:
 - member name;
 - member number;
 - residential address;
 - business address;
 - preferred postal address;
 - email address;
 - employment category or sector;
 - qualifications;
 - date of birth;
 - date of admission to membership;
 - category of membership; and
 - licensing information – number, date first issued.
136. Similar information needs to be maintained for students and, if the organisation is actively involved in offering courses or examinations, student registrations and other student records will be required.

PART TWO:

Roles and Responsibilities of a Valuation Professional Organisation

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Roles and Responsibilities of a Valuation Professional Organisation

Membership Requirements

137. During the start-up period and in the early years of the organisation's life, the majority of the members will be individuals who have earned designations from foreign valuation professional organisations or who have, through other means, developed the knowledge and expertise of professional valuers before the creation of a local professional body. Such individuals are usually permitted to join a new valuation professional organisation during a specified, limited period of time under reasonable "grandfathering" provisions (i.e. admission of the predecessors of those who qualify after the professional body has its own entry requirements). Grandfathering provisions should encourage as many qualified people as possible to join the organisation, while minimising the risk that unqualified people will be accepted into membership. Grandfathering provisions should be available only for a limited time and end by the time an accreditation programme is developed and functioning.
138. As a starting point, the founding group should learn as much as possible about the requirements for foreign designations granted to individuals who are potential members. For each designation under review, information should be obtained on:
- the minimum level of education required for the qualification, length of formal period of study, subjects studied, etc.;
 - the examinations required, giving special consideration to the examinations of professional competence;
 - the minimum amount and type of experience (including any required practical training) required prior to membership and licensing; and
 - the framework of professional technical and ethical standards of the professional body that granted the designation.
139. Once this review has been completed, a decision can be reached as to which categories of membership, students, titles and designatory letters will be acceptable for full membership in the new organisation. Consideration should be given as to whether individuals who have reached a certain level in the accreditation process of a foreign country will be accepted for some form of membership other than full membership, such as student or associate membership. After individuals with foreign designations have been accepted for membership under the new organisation's grandfathering provisions, there will still be an on-going need for recognition of foreign designations. Consideration should be given to the need for requirements such as a working knowledge of the local language, evidence of professional reputation, and demonstrated knowledge of national company and tax law. Recognition of adequate foreign qualifications could bring positive value to the professional valuation education, such as reinforcing the basis of its membership or exchanging new ideas and best practices with foreign professional valuers.

140. It is also necessary to review the qualifications of individuals who do not currently have any designation, but who have the necessary educational background and experience to perform the work of a professional valuer. Admitting people who appear to be competent is the fair thing to do. It allows the organisation to include in its membership more people with influence in industry and government, thus enhancing support for the organisation. Further, where their education has been received at a local university, the organisation may gather more information and contacts that will be useful in establishing its own accreditation programme. Here, however, it is particularly important that there be a strict limit on the period of time during which such individuals may be grandfathered into membership.

Membership Recruitment

141. Once the qualifications for membership under grandfathering provisions have been identified, a concerted effort should be made to encourage people with these qualifications to apply for membership. Although membership recruitment is an important on-going activity for any voluntary membership organisation, the initial effort is crucial. Failure to attract sufficient membership will restrict the new body's ability to carry out its activities, will weaken governmental and public support for the organisation, and is likely to dampen the enthusiasm of the founding group. Thus, the importance of this initial effort cannot be over-emphasised. The methods used will vary depending on many considerations, such as the number of potential members to be contacted, the people available to work on this effort, the distances and costs involved, etc. Personal contact is usually the most effective recruiting technique.
142. A general meeting for potential members may help. Such a meeting would provide an opportunity for prospective members to meet one another and the members of the founding group, and to learn about the objectives of the organisation, its proposed activities and structure, and the costs and benefits of membership. Information obtained from attendees would also make follow-up contacts more effective. Every effort, including media announcements, should be made to gain publicity for this meeting to generate a large and representative audience.
143. Leaders within the profession may also be effective in membership recruitment. The support of only a modest number of such individuals may result in a large number of membership applications.

Student Membership

144. A valuation professional organisation needs to consider its interactions with students, because students are the members of the future.
145. Relations with students will be limited where all or most of the technical education is assumed by other organisations or institutions and will become more complex as the organisation's direct involvement in either the education or the evaluation of students increases. However, some involvement is always desirable in order to develop ties with future members. Thus, a valuation professional organisation should work to enhance interactions between members and students. Some of the activities that might be encouraged are:
- presentations to senior high school students to encourage their interest in the profession;

- participation in “career day” events;
- classroom lectures to valuation students on current issues or the application of technical standards in “real life” situations;
- offering part-time employment opportunities to students; and
- building relationships with academics and tuition providers.

Adoption and Implementation of Standards

146. The adoption and implementation of the International Valuation Standards (IVSs) will be different for each country or organisation. Situations may vary from, for example, transition to the IVSs from a set of existing standards or the adoption of IVS where no equivalent standards exist. In all situations, it is a significant project that requires careful planning and commitment and equal attention should be devoted to the sustainable adoption and implementation (training, awareness, and programmes to check application).
147. The single most important but least tangible issue is to gain a solid commitment by all essential stakeholders, both to the process and the timeframe for adopting and implementing the IVSs. Identifying key stakeholders is a major issue and likely to differ in each country. Stakeholders will include all valuation bodies in the country, government, regulators, public oversight boards, secondary and tertiary educational institutions, capital market participants and regulators.
148. A valuation professional organisation needs to distinguish between the roles of standard setting and standards enforcement. Setting, or creating, standards is a difficult and time consuming task as not only will they have to be agreed on by the valuation professionals that will use them, but they also need to be accepted by the business community, government regulators and other stakeholders. The IVSC acts as the global standard-setter for valuation but has no role in enforcing their use or ability to sanction individuals who breach the standards. In contrast, valuation professional organisations do have the ability to enforce implementation of the IVSs by their members and to monitor compliance.
149. By adopting the IVSs, a valuation professional organisation not only ensures that its members are following internationally recognised practice, but also avoids spending time and resources on creating standards which, although they may be similar, will not have the same level of recognition as the IVSs. In an increasingly globalised world, the consistency and compatibility of standards across jurisdictions is a particularly important issue.
150. Where necessary, the valuation professional organisation may issue supplemental standards or guidance to reflect local circumstances (e.g. to help its members comply with valuations required under national laws or regulations). However, if doing this, care will need to be taken to ensure that these are as consistent as possible with the IVSs and that any differences that are unavoidable are clearly stated and the scope limited to the specific valuation purpose in question.

Code of Professional Conduct and Ethics

151. The valuation profession has a responsibility to protect the collective well-being of the public and the institutions served by professional valuers. This requires the adoption and enforcement of a Code of Ethics.
152. The IVSC *Code of Ethical Principles for Professional Valuers* sets out Fundamental Principles of ethical conduct that should be observed by all professional valuers regardless of whether they are engaged in public practice, working in government or employed in other sectors of the economy, and focuses on the profession's responsibility to act in the public interest. All valuation professional organisations in membership are required to either adopt the IVSC Code or to maintain a code of their own that contains all the Fundamental Principles set out in the IVSC Code.
153. Most valuation organisations establish an Ethics Committee that is responsible for promulgating the Code and considering whether additional guidance is necessary for specific situations that are commonly faced by its members in practice. It is good practice to establish a separate group to monitor adherence, investigate potential breaches of the Code by members and take disciplinary action as needed.
154. Education is crucial to assist professional valuers in understanding and implementing, in their activities, the requirements of the IVSC Code of Ethical Principles for Professional Valuers.

PART THREE:

Education and Examinations

Part Three:

Education and Examinations

Overview of Valuation Education Requirements

155. The organisation will need to identify the competencies required of its members to both achieve and retain their professional designation. The IVSC *Competency Framework for Professional Valuers* sets out the competencies required which include:
- professional knowledge;
 - professional skills; and
 - professional values, ethics and behaviour.
156. The Framework indicates that the above competences are gained by initial professional development (IPD) and by continuing professional development (CPD). It goes on to describe the main features of both IPD and CPD that are expected for any professional valuer.
157. The Framework is intended to serve as a starting point. It will be necessary for a valuation professional organisation to determine the detailed requirements under each of the headings in their own Framework to reflect the needs of the market in which its members operate. A working group of academics and practitioners should be set up to perform this task.
158. In considering how best to produce a syllabus to act as a basis for examining prospective members of the body, it may be possible to draw on the requirements of other valuation professional organisations operating in other countries.
159. Institutes of higher learning, such as universities or colleges, may deliver a student's academic education. A valuation professional organisation, however, will need to decide if that education is adequate for entry into its membership, by careful consideration of the syllabus and comparing this to the body of knowledge required by its members in practice. Once the body of academic knowledge and skills has been identified, it should be disseminated and promoted to the institutions, prospective students and other interested parties as the minimum requirement for professional recognition.
160. The Framework also recommends that to become a professional valuer, a minimum of 1,500 hours experience applying the relevant knowledge and skills in a supervised work environment over a minimum of two years is required.
161. Regardless of whether the required academic training can be provided by higher learning institutes, a valuation professional organisation may also wish to consider whether alternative pathways to membership should be allowed. For example, it may decide to accept as members individuals who have followed mainly experience-based learning, provided they can demonstrate a level of understanding and competence that is equivalent to that demonstrated by those entering with a relevant university degree. It may also need to consider recognition of qualifications and

accreditations issued by other valuation professional organisations and the degree to which these can be regarded as meeting its own requirements.

162. The environment in which valuers work is continually changing. Thus, the agreed-upon body of knowledge needs to be regularly reviewed to ensure that it remains current with the educational needs of valuers.
163. It is quite likely that the organisation, at least in the early years, will need to take an active role in the education and training process either by getting involved in education itself or through active interaction with the academic/teaching community. Most new valuation bodies in developing and emerging economies will need to focus on ways to identify, attract and retain qualified instructors.
164. Several approaches may be used to develop sufficient qualified instructors, including:
 - participating in programmes which “train the trainers”;
 - creating liaison programmes between local educational institutions and established educational institutions in other countries;
 - bringing in retired professionals and educators from developed countries to teach students and/or train local instructors;
 - encouraging local valuation firms and governmental departments to offer their qualified professionals as trainers to local educational institutions; and
 - offering well-designed distance learning programmes, with additional academic support.

Relevant, Affordable Instruction Manuals

165. There is frequently a shortage of up-to-date instructional materials such as textbooks, current literature, and valuation pronouncements by valuation organisations. In addition, much of the material is often imported and lacks relevance to the particular system in use in the country. If this is the case, local valuation firms may be able to provide copies of their in-house manuals, procedures and educational programmes, for use in private sector education and training.
166. The internet may also be a source of downloadable material; additionally, materials may be available from other valuation bodies.
167. It may be necessary to provide educational equipment such as computers, overhead projectors, copying machines, etc. Such equipment may be in scarce supply. The professional body may wish to seek donations for this type of equipment from local business and industry. For example, corporations, banks and valuation firms periodically upgrade their computer equipment and may be persuaded to donate their used equipment. Acquiring these materials locally will eliminate shipping and customs problems. However, maintenance and the use of licensed software may require the active support of suppliers to make this feasible.
168. The work to make any of the above happen will primarily need to be done jointly by the local academic institutions and the valuation professional organisation. The major responsibility for developing the programmes will fall on the education sector, although local valuation training providers also have a role to play. The valuation professional organisation would ordinarily have the

other major responsibility of seeking the support of government, valuation firms, businesses and outside funding agencies.

Education Committee and Staffing

169. The more involvement in education, the greater the need for resources, including committees and staff. The minimum requirement will be for an education liaison role to ensure that a dialogue is established between education providers and the valuation professional organisation. This role could be fulfilled by volunteer members who are paid expenses until resources permit staff to be hired. The liaison role may involve advising programme providers of the standards required by the professional body and accrediting relevant degree programmes or agreeing on subject exemptions.
170. There will be a minimum requirement for an Education and Training Committee reporting to the Council. As the involvement increases, the efforts of this committee can be supplemented by working groups with responsibility for additional functions such as course accreditation. In framing the Education and Training Committee's terms of reference and in deciding its composition, care should be taken to ensure that these fully reflect the needs of all economic sectors from which the body seeks to draw its members.

PART FOUR:

Mentoring Arrangements and Setting Priorities

Part Four:

Mentoring Arrangements and Setting Priorities

Mentoring and Working with Other Professional Bodies and Regional Organisations

171. The task of establishing and developing a fully functioning valuation professional organisation can be a daunting experience, especially if individuals are considering undertaking the task on their own. Working with and learning from others who have gone through this process can be a valuable experience and many existing IVSC member bodies offer their expertise to assist other developing countries in this task. Their expertise and experience in running professional bodies and working with governments, regulators and education providers can be a valuable resource.
172. Many organisations have been involved in “mentoring arrangements” which involve one professional body working with a developing body to adapt the structure, processes, and policies of the established professional body to the needs of the recipient.
173. A key factor to consider when entering into a mentoring arrangement is to understand the background and experience of the professional body and to determine whether its goals and objectives align with those of the recipient organisation. It is also worth considering partnering with different bodies for different aspects of the development process, as some bodies may have more expertise in one area than others and/or more expertise and familiarity of the region in which the organisation is located.
174. Following is a list of key projects where the assistance of established professional bodies can prove invaluable to an organisation in the development phase:
 - advising governments on the establishment of the valuation profession, development of regulatory models, education and qualification requirements, and licensing regimes;
 - designing professional body infrastructure;
 - Charters and Rules governing the body;
 - governance structures;
 - education and qualification programmes (including examinations administration);
 - quality control and disciplinary processes;
 - Codes of Ethics;
 - CPD policies and delivery; and
 - setting technical and professional standards.
175. Once a valuation organisation has been established for some time, it may wish to review certain aspects and functions the organisation performs. This is another area where the expertise of other

well-established valuation bodies and experienced consultants can be beneficial. Examples of other aid include reviews of:

- structure and content of the education programme;
- quality control processes such as reviews of firms, employers, etc.;
- disciplinary processes;
- professional body infrastructure; and
- governance structures.

Setting Priorities

176. Establishing a valuation professional organisation is a long-term process, and there are some aspects that are more critical than others. Although this Guide addresses the different aspects a fully functioning valuation professional organisation should have, the development of the body can be separated into different stages, with priorities assigned to the more urgent aspects.

Short-Term Priorities

1. Encourage the training and education of professional valuers (either by establishing your own education programme or by adopting an internationally recognised programme).
2. Put in place a promotional and influential strategy for the new body.
3. Prepare a financial plan which models the operation of the body in the most likely of scenarios and which contains some simple sensitivity analysis to help identify where key pressures points are likely to arise.
4. Seek early advice on the convergence of national and international valuation standards, the adoption of International Valuation Standards, and the IVSC Proposed Code of Ethical Principles for Professional Valuers.

Medium-Term Priorities

1. Adopt a Constitution and Bylaws for the valuation professional organisation.
2. Form the Council of the valuation professional organisation.
3. Appoint a CEO to manage and run the valuation professional organisation.
4. Organise a register of members and students which recognises various levels of membership, for example:
 - students;
 - members;
 - associates; and/or
 - fellows.
5. Collect annual fees from members and students.
6. Establish a committee structure.

7. Update and modify the financial plan to reflect the lessons learned from the initial phase of development and the longer-term strategic aspirations of the body.

Longer-Term Priorities

1. Regulate and monitor members in public practice.
2. Organise CPD events and training opportunities for members and students.
3. Set up a disciplinary system.
4. Develop and refine the business strategy and plan.
5. Provide products and services to the market.
6. Apply for membership of the IVSC.

APPENDIX 1:

Items to Consider for Introduction in Charters and/or Bylaws Setting Priorities

Appendix 1: Items to Consider for Introduction in Charters and/or Bylaws

Introduction

The following sections identify items an organisation should consider including either in its Bylaws and/or in its formal document of formation, such as a Law, Charter, Articles of Association or Act of Incorporation. It is recommended that details and items of an operational nature are best recognised so that local legal and regulatory considerations may not only impact the selected items, but may also require the inclusion of other items.

Throughout the list the word “INSTITUTE” is used to refer to the name of the organisation, but other common names are “Association”, “Federation” or “Society”. Further, it is recognised that the other names of the governing body, and its officials, may vary.

For example, the following combinations are possible:

NAME OF GOVERNING BODY	TOP NON-STAFF PERSON	TOP STAFF PERSON
Board of Governors/Trustees/Directors	Chairman of the Board	President
Council	President	Chief Executive

In this list the terms “Council”, “President”, and “Chief Executive” are used.

In actual Bylaws and other legal documents it will be necessary, and/or desirable, to refer to the designation used by the membership.

Just as there are choices for titles, there are numerous possibilities for other items, and a new organisation will need to select those options best suited to its environment. The examples provided are not meant to be all-inclusive. It is hoped, however, that they will assist an individual organisation in deciding what needs to be included in its own documents.

Examples of Items to Consider

1. NAME AND PURPOSE

ITEMS TO CONSIDER	EXAMPLES
Objectives	<ul style="list-style-type: none">■ Unite the member group in the (country) to promote and maintain high professional standards of practices■ To maintain standards for entry to the profession■ To promote the interests of the member group■ To encourage cordial relations between the INSTITUTE and professional valuers in other countries■ To keep abreast of international developments affecting the valuation profession■ To promote the highest standards of professional competence and practice■ To promote, compile and publish research studies and statistics

2. MEMBERSHIP

Members defined	<ul style="list-style-type: none">■ Members of the INSTITUTE at the effective date of these Bylaws, and:<ul style="list-style-type: none">- Persons admitted to membership in conformity with the Bylaws- Firms admitted to membership in conformity with the Bylaws
Classes of membership	<p>Individuals: Full, Student, Honorary</p> <p>Fellow firms: Partnership, Corporations, Other</p>

3. REQUIREMENTS FOR ADMISSION TO MEMBERSHIP

Who/what determines admission?	<ul style="list-style-type: none">■ All admissions, except for special ones requiring approval of the membership (e.g., mergers with other member bodies), shall be approved by the Council in accordance with the Bylaws. The Council shall have absolute discretion subject to these By-laws and its decision shall be final
Normal conditions of admission for each class of membership	<ul style="list-style-type: none">■ Example, for full membership:<ul style="list-style-type: none">- The applicant has passed the prescribed examinations or

	<p>meets the requirements of the Regulations concerning admission as prescribed from time-to-time by the Council</p> <ul style="list-style-type: none"> - The applicant has completed the prescribed period of service in valuation as determined by the Council - The applicant has attested to be a person of reputable character - The applicant, upon admission, agrees to and is able to comply with the requirements of the Constitution, Bylaws and Regulations <ul style="list-style-type: none"> ■ Example, for Honorary: <ul style="list-style-type: none"> - Honorary members shall not receive a certificate of admission, they shall not use the designation of the INSTITUTE, and they may not hold themselves out as anything other than Honorary members of the INSTITUTE
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Specifics of special admissions

- Example, for grandfathering:
 - The Council shall be empowered to admit individuals engaged in public practice or as an employee in public practice to membership within a period of six months from the date of incorporation of the INSTITUTE. These individuals must have
 - (a) Been partners in public practice for a period of not less than # years, in a firm employing no less than # employees at the time of the application to membership, OR
 - (b) Have been employees in public practice for a period of not less than # years in an office employing not less than # employees and such office is part of a firm employing not less than # employees at the time of the application for membership

4. REQUIREMENTS FOR RETENTION OF MEMBERSHIP

Statement of primary requirements

- Payment of dues
- Conform with the Bylaws and the Rules of the Code of Professional Conduct
- Complete CPD requirements established by the Council

Conditions of reinstatement

- The Council may reinstate such persons provided that all dues and other obligations owing to the INSTITUTE at the time membership was terminated shall have been paid, or that the person shall have satisfactorily demonstrated that the failure to comply with the CPD or practice-monitoring requirements has been rectified
-

5. DISCIPLINARY SUSPENSION AND TERMINATION OF MEMBERSHIP

When misconduct will be deemed to have occurred

- Under such conditions as shall be prescribed in the Regulations approved by the Council

This may be:

- Commission of any act which is not in accordance with the standards of professional conduct of the INSTITUTE
 - Conduct resulting in an adverse finding in relation to a member's professional or business conduct or competence by a regulator authority
 - Conviction of a crime punishable by imprisonment for more than one year
-

6. MEMBERSHIP RIGHTS AND POWERS (FOR EACH CLASS)

Attendance at meetings and voting

- Members are encouraged to attend annual meetings of the INSTITUTE (Annual General Meeting)
 - Voting examples
 - Voting in person at meetings upon all questions brought before the INSTITUTE
 - Voting by mail ballot for the election of members of the Council and on proposed amendments to the Bylaws
-

Positions to be held only by members

- To serve as officers of the INSTITUTE
 - To be members of the Council
 - To serve on committee(s)
-

Certificate of membership

When issued

- Upon admission to membership

When to be returned

- Upon the demand of the secretary of the INSTITUTE in the event of suspension or termination of membership
-

7. ORGANISATION AND GOVERNING BODY

General

The organisation of the INSTITUTE shall include

- The members, the Council, Officers, and committees
-

Governing Body

Defined	<ul style="list-style-type: none"> ▪ The governing body of the INSTITUTE shall be the Council
Composition	<ul style="list-style-type: none"> ▪ The President, Vice President, elected Members of the INSTITUTE and the immediate past President, all of whom are members of the INSTITUTE ▪ Provision for membership to be structured according to a specific approach (e.g., # members from different regions to ensure the representative nature of the Council)
Powers	<ul style="list-style-type: none"> ▪ All powers requisite for the purposes of the INSTITUTE consistent with the Bylaws or with duly enacted resolutions of the authority to prescribe the policies and procedures of the INSTITUTE and to enact resolutions binding upon the Officers, committees, and staff
Reports to membership	<ul style="list-style-type: none"> ▪ The actions of the Council shall be reported to the membership at least annually
Executive Committee	
Purpose	<ul style="list-style-type: none"> ▪ To direct the activities of the organisation between meetings of the Council
Composition	<ul style="list-style-type: none"> ▪ As prescribed by the Council ▪ Example: <ul style="list-style-type: none"> – The President and the Vice President of the Council; the Chief Executive of the INSTITUTE; # members of the Council appointed by the Nominating Committee
Powers	<ul style="list-style-type: none"> ▪ To control and manage the property, business, and activities of the INSTITUTE consistent with the provisions of the Bylaws, resolutions of the membership, or actions of the Council
Quorum	<ul style="list-style-type: none"> ▪ # persons present
Reporting to the Council	<ul style="list-style-type: none"> ▪ At least # times per year
Officers	
Defined	<ul style="list-style-type: none"> ▪ President ▪ Vice President ▪ Chief Executive ▪ Secretary/Treasurer
Election	<ul style="list-style-type: none"> ▪ Elected by a majority of the Council from nominations made by the Executive Committee

Terms of Office

President and Vice President

- Terms of office of the President and Vice President will commence after the termination of the Annual General Meeting immediately following their election. Neither may succeed him/herself in the same office after serving a full term of # year(s)

Vacancies

- If the office of the President and Vice President become vacant then the Council shall fill the office by electing such person, using guidance provided by the Executive Committee. The person elected will hold office for the remainder of the term of the Officer replaced

Duties of the Officers

Duties of the President

- Preside at meetings of members of the INSTITUTE, the Council and the Executive Committee
- Act as a spokesman for the INSTITUTE and appear on its behalf before other organisations

Duties of the Vice President

- Preside in the absence of the President at meetings of the INSTITUTE, the Council and the Executive Committee
- Perform such other related duties as may be assigned by the President

Duties of the Chief Executive

- Full responsibility for the execution of the policies and programmes of the INSTITUTE
- Act as a spokesman for the INSTITUTE
- Perform such other services as may be assigned by the Council

Duties of the Secretary/Treasurer

- Responsible for the minutes of all meetings of the members, the Council and the Executive Committee
- Assist in preparing the annual budget, reviewing monthly and annual financial statements, and preparing an annual report on the financial condition of the INSTITUTE
- Other related duties as may be assigned by the President

Committees

Formation

- As provided for specifically in the Bylaws (usually called "permanent committees", such as Ethics, Membership and Disciplinary Committees)
 - As appointed by the Council, which may fix quorum and
-

	terms of reference including which committee resolutions require ratification by the Council as prescribed in the Bylaws
Duties, power and responsibilities	<ul style="list-style-type: none"> ■ The President and the Chief Executive shall have the privilege of the floor at meetings of all committees
8. THE COUNCIL	
Nominations	<ul style="list-style-type: none"> ■ Eligible candidates must be nominated in writing by # members of the INSTITUTE at least # months prior to the Annual General Meeting of the INSTITUTE
Election	<ul style="list-style-type: none"> ■ By mail ballot: the Secretary mails to the members, at least # days prior to the Annual General Meeting of the INSTITUTE, a mail ballot containing the names and relevant background information of nominees. Each ballot shall contain an announcement that votes will be counted only if received by the Secretary at least # days before the Annual General Meeting of the INSTITUTE. Election shall be determined by majority of the votes received. Mail ballots shall be counted by the Secretary who shall certify the results for publication to the membership ■ By vote of members present at the Annual General Meeting
Term of office	<ul style="list-style-type: none"> ■ The term of office commences immediately subsequent to the Annual General Meeting of the INSTITUTE and shall run until the announcement of the election of a new Council at the Annual General Meeting # years after his/her election <p>(Note: during the start-up period it is desirable to assign terms of different duration – e.g. 1/3 of Councillors one year; 1/3 two years and 1/3 three years, so that thereafter only 1/3 of Councillors retire in any one year)</p> ■ No member having served for # consecutive full terms as an elected member of the Council shall be eligible to serve another such term until at least # years after the completion of his/her #th consecutive full term
Vacancies	<ul style="list-style-type: none"> ■ Casual vacancies may be filled by the vote of the remaining Councillors for the duration of the term remaining
Forfeiture of office	<ul style="list-style-type: none"> ■ Anyone absent without leave from the Council for # consecutive meetings of the Council shall forfeit his/her seat

9. COMMITTEES

Specifics of important standing committees

- Ethics, membership, disciplinary, examination
-

Example: Disciplinary Committee

Power and composition

- As specified in resolutions adopted by the Council

Procedures to deal with disciplinary matters

- As specified in resolutions adopted by the Council covering, for example:

- The conduct of investigations

- The evidentiary standards

- Types of sanctions (loss or suspension of membership/right to practice, censure, fines, corrective action)

Appeals procedures

Disclosure of disciplinary action

- Circumstances under which disclosure will be made
 - Publication in a membership periodical of the INSTITUTE
 - Maintenance of a record of such information and disclosure upon request
-

10. FINANCIAL MANAGEMENT AND CONTROLS

Define who has the authority

- The Council shall have authority to prescribe such procedures as it deems appropriate to assure adequate budgetary and financial controls. Budgets shall be prepared and presented as the Council shall prescribe

Determination of the fiscal year

- The fiscal year shall end on such date in the year as the Council may determine

Appointment of auditors and Audit Committee

- To be voted on at each Annual General Meeting

Publication/presentation of financial statements

- To the Council and at the Annual General Meeting

Execution of financial instruments

- As per resolution of the Council
-

Dues

Who determines and approves them?

- As determined by the Council, for each class, as deemed appropriate
-

- First day of fiscal year
- By order of the Council

11. MEETINGS OF THE INSTITUTE AND THE COUNCIL

General

- | | |
|--|---|
| The rules of parliamentary procedure that shall govern the meetings | <ul style="list-style-type: none"> ▪ Robert's Rules of Order |
|--|---|

Meetings of the INSTITUTE

- | | |
|------------------------------------|--|
| Regular meetings, when held | <ul style="list-style-type: none"> ▪ Within # months after the close of the fiscal year, on a date to be fixed by the Council (usually called the Annual General Meeting) |
|------------------------------------|--|

- | | |
|-----------------------|--|
| Size of quorum | <ul style="list-style-type: none"> ▪ # members present and entitled to vote |
|-----------------------|--|

- | | |
|---|--|
| How and when notice of meetings will be made | <ul style="list-style-type: none"> ▪ By mail, # days prior to the date of the meeting ▪ By publication, # of months prior to the date of the meeting in a specified membership periodical of the INSTITUTE |
|---|--|

- | | |
|---------------|---|
| Voting | <ul style="list-style-type: none"> ▪ Initially by show of hands of those present. Two members present and entitled to vote may request that a poll be taken of those present ▪ Motions are carried by simple majority |
|---------------|---|

- | | |
|---------------------|---|
| Mail ballots | <ul style="list-style-type: none"> ▪ When allowed ▪ Procedures: <ul style="list-style-type: none"> – Appoint # scrutinisers – President may receive proxies – Dates of mailing and counting # days from meeting |
|---------------------|---|

Special Meetings of the INSTITUTE

- | | |
|-------------|---|
| When | <ul style="list-style-type: none"> ▪ As called by the Council ▪ Upon the written request of at least # percent of the membership of the INSTITUTE |
|-------------|---|

- | | |
|--|--|
| How and when notice of meeting will be made | <ul style="list-style-type: none"> ▪ By mail, # days prior to the meeting |
|--|--|

Meeting Of Council

When held	<ul style="list-style-type: none"> ▪ At least # times yearly and on such other dates as the Council may designate
Size of quorum	<ul style="list-style-type: none"> ▪ The number nearest to a specified fraction of the total members of the Council
Voting	<ul style="list-style-type: none"> ▪ By show of hands; approval of motions are carried by simple majority of those present ▪ The Chair of the meeting (normally the President or Vice President) shall vote only in order to break a tie

12. AMENDMENTS TO THE BYLAWS

How Done	<ul style="list-style-type: none"> ▪ By the Council ▪ By petition of # percent of the membership as of the end of the prior fiscal year
Approval	<ul style="list-style-type: none"> ▪ By written vote of the membership or by a show of hands at the Annual General Meeting

APPENDIX 2:

Sample Strategic Plan Outline

Appendix 2: Sample Strategic Plan Outline

PROPOSED MISSION:

EXAMPLES:

What is the purpose of the valuation professional organisation?

- To promote high quality financial reporting and auditing in xxxxx (insert name of country), and develop and maintain the competence of professional valuers

VALUES: (NOT ALWAYS NECESSARY)

EXAMPLES:

What are the values that are the guiding principles for the organisation?

- Integrity
- Expertise
- Transparency
- Accountability

Strategic Objectives and Priorities

What are the strategic objectives and goals the organisation has identified that it wants to achieve in the specific period (anywhere between 2 and 10 years) towards carrying out its mission?

Strategic objectives should be supported by specific strategic priorities, actions and projects. Associated key performance indicators (KPIs) to measure achievement of these objectives and priorities can also be developed to report against the achievement of the strategic plan. KPIs help the organisation to be accountable to its constituents and stakeholders.

Strategic Objective #1

- 1.1** Create a high quality education programme to develop the required knowledge, skills, and ethics required of members of the professional body.

Strategic priorities to support Strategic Objective #1

- (a) Develop a framework(s) for a valuation curriculum.

Actions and projects to help deliver strategic priorities

- (a) Establish an Education Committee.
- (b) Design an appropriate qualifications framework.

- (c) Develop working relationships with local education and training providers.
- (d) Review other valuation qualifications offered in the country or region and determine the extent to which these meet the needs of the qualification framework.

Strategic Objective #2

- 1.2** Promote participation in and represent the needs of the developing profession to international standard setting organisations.

Strategic priorities to support Strategic Objective #2

- (a) Monitor the IVSC work programmes and seek to influence the standard-setting to ensure that the needs of the membership are adequately addressed.

Actions and projects

- (a) Establish a small group of experts to influence the IVSC work programmes.
- (b) Work with the IVSC to address the issue of applicability and practical challenges of implementation of international valuation standards in the country.
- (c) Engage with government.

Key Performance Indicators

Identify who has responsibility for working on specific actions and projects, and when those actions and projects will be completed.

APPENDIX 3:

Roles and Responsibilities of Committee Personnel

Appendix 3: Roles and Responsibilities of Committee Personnel

The key ingredients to the success of a committee are the roles and responsibilities assumed by the committee chair, committee members and the committee's staff, and the diligence with which they carry out their duties.

Committee Terms of Reference

It is important to develop formal terms of reference for each permanent board or committee established by the valuation professional organisation to clearly identify the roles and responsibilities of each group and which group has authority to undertake certain tasks, and what tasks or decisions require approval by others.

Terms of reference should specify the purpose and objectives of the committee, the committee's responsibilities, the likely membership of the group, formal meeting procedures (including conduct of meetings, minutes, quorums, and frequency of meetings), reporting requirements, due process and any other matters.

Committee Chairs

An effective committee needs a chair who is well organised and who will accept responsibility, foster creativity, and keep the group on the move. Much of the chair's task involves human relations and acting as a counsellor as well as encouraging group dynamics at committee meetings, but there is also a certain amount of work that must be accomplished between meetings, with or without staff assistance. The smooth management and creative achievements of any committee often reflect the chair's ability and efforts.

The chair's responsibilities are in five general areas:

- **Planning** – Consulting with staff and committee members, as needed, in planning an annual programme of work for the committee.
- **Conducting meetings** – Stimulating group thinking, encouraging and channelling discussion, weighing the value of expressed ideas and suggestions, summarising constructive suggestions, seeking out decisions, avoiding situations where one or two people dominate the discussion, and keeping the meeting on target and within reasonable time limits.
- **Maintaining records and information** – Insuring that accurate minutes or highlights, as appropriate, of meetings are kept, necessary reports prepared, a record of committee work maintained, and keeping informed of the progress of committee assignments.

- **Getting action** – recommending appropriate members for appointment to the committee and motivating them toward active and productive involvement in committee activities.
- **Evaluating results** – continually reviewing and evaluating the committee's programme, the progress being made on activities, and the contributions of individual members to the work of the committee.

Careful consideration should be given to a person's leadership potential, background, ability, and accomplishments before he or she is made a committee's chair. The following checklist will provide assistance in the selection:

- the ability to communicate, which is perhaps the single most important characteristic (effective communication is a prime ingredient not only within the committee but also with individuals and groups outside the committee);
- knowledge of the committee's subject area;
- a record of initiative and active participation within the committee, the organisation, or other professional groups;
- prestige and respect within the profession (the individual's opinions must command the respect of other members and of those who will be guided by committee findings);
- the availability of time and resources to carry out the responsibilities;
- the ability to create the right atmosphere for productive committee work;
- the ability to command attention and to inspire fellow professionals;
- a willingness to listen, to be open-minded, and to encourage free expression of ideas, opinions, and recommendations by committee members;
- the ability to lead without domination;
- an understanding of the relationships within the committee and the committee's relationship with other committees;
- a clear understanding and recognition of the position and role of the staff and the need for a close working relationship; and
- the ability to think and act in terms of the organisation's overall goals and objectives.

Tips on Being a Successful Committee Chair

A good chair should be well prepared and organised. Here are some tips on being a successful committee chair:

Prior to First Meeting

Contact the committee's prior chair	Review the files transferred to you by the prior chair. Discuss objectives, activities, problems, and carryover projects.
Sketch out an itinerary	The itinerary should show where you want to go and how to get there. It should include a timetable, the structure of the committee, and a tentative schedule of committee meetings. Plan and announce meeting schedules at an early date and arrange for meetings that are purposeful and productive.
Establish an agenda	The purpose of an agenda is to save time and keep the meeting on course. Do not permit digression from the agenda without good reason. The agenda should include necessary action items and, if possible, how long the meeting will last.
Ensure meeting notices, response forms, and agendas are sent out on a timely basis	It is important that committee members are prepared for meetings. Distribute agendas with appropriate backup material in advance of a meeting to allow time for preparation and increase the productivity of the meeting. Request that participants contact you or committee staff if they are unable to attend.
Use telephone and video conferencing as appropriate	In planning meetings, consider utilising conference calls in lieu of face-to-face meetings. This can be a cost-saving measure, which can eliminate unnecessary travel. When using conference calls, limit the agenda to a focused number of topics and ensure that all materials are received by the participants to allow adequate time for review and preparation.

Meeting with the Committee

Follow the agenda	Always start the meeting on time and stay with a definite agenda. Participants expect to cover all items included in the agenda. State objective(s) for the meeting.
Allow for introductions	Help the individuals begin functioning as a group – self-introductions permit everyone to get acquainted. Give reason(s) for the attendance of first timers and guests. Brief the committee on previous activities and projects that still need to be completed.
Make sure minutes of the meeting are taken	The staff aide is responsible for taking meeting minutes or highlights, as appropriate. If the staff aide is not present, the chair should select someone else to take minutes or highlights, as appropriate. Minutes or highlights should reflect actions and motions taken with only pertinent background information included.
Encourage participation	Promote total involvement and solicit ideas from everyone. Encourage involvement and participation through a positive, upbeat, “can-do” attitude. If a member is reluctant to speak, ask for an opinion or give an assignment. Also, talk to the group, not individuals. Encourage everyone to voice constructive opinions and thank all for their contributions.
Maintain control	All viewpoints should be presented, but do not allow one individual to dominate. If individuals digress from the subject, restate the major points being considered and arrive at a consensus. Although disagreement can heighten interest, the chair must always be in control of the meeting.
Stay neutral	Do not argue with the individual who has the floor. If you have a comment, ask for the floor as a participant. You may ask questions if you disagree, but remember that as the presiding officer, you are to be neutral. Do not “opinionate” unless it is necessary.
Reach conclusions	Try to establish a conclusion for each point on the agenda. Either bring the group to a consensus of opinion or else mark the item for further study.
Delegate responsibility	Request that an individual committee member, subcommittee, or task force study difficult or complex matters and schedule a report back to the entire committee. Make sure the group knows what tasks need to be completed and what the timeframe is. Also, make sure you follow through to see that these responsibilities are met. Committee members will be discouraged if the chair attempts to do all the work.
Agree on a timetable for action	This should be included in the meeting highlights.

and reporting

End the meeting on a positive note

Check to see if members feel that particular subjects have been properly covered. Stress the accomplishments made by the group during the meeting. Remind members of the date, time, and location of the next meeting.

After the Meeting

Follow up

Coordinate with the committee staff to see that the meeting minutes or highlights, as appropriate, are sent to the committee members. Restate the goals and assignments. Ask for progress reports. Notify members and others of actions.

Thank key participants

If members have done an outstanding job, acknowledge this with a simple letter. Members like to know they are appreciated. Also, they would be more apt to do a good job when they are asked to work on other projects.

Always remember to “crank up the enthusiasm”

Keep in mind that what you are doing is important. Your committee has worthwhile objectives and your committee members will reflect your attitude and enthusiasm.

Committee Members

The selection of individuals to serve as committee members will have a direct impact on the success of the committee. Care must therefore be taken in selecting committee members who are knowledgeable about the subject area and are willing to make the time available to carry out committee responsibilities. It is also important to consider the representative balance of the committee when recommending new members, including firm size, geography, and utilisation of members from industry, education and government.

Although the duties of the individuals serving on committees may vary, there are certain basic responsibilities that should be assumed by every committee member. Tips on being a good committee member follow.

Tips on Being a Successful Committee Member

Although the duties of the individuals serving on committees may vary, there are certain basic responsibilities that should be assumed by every committee member:

- review the agenda and related background material prior to a meeting;
- take an active part in all discussions;
- share information with the group from experience directly related to a subject or problem under discussion;
- understand and respect other ideas or conflicting viewpoints;
- address problems objectively and impersonally;
- stay on the subject under discussion;
- ask for clarification on any point or problem not fully understood;
- acknowledge all communications involving work on a committee project promptly;
- accept and follow through on assignments;
- get acquainted with the chair and other members;
- determine availability for the committee meetings and inform the staff as soon as possible; and
- make sure your own organisation or superiors are fully aware of commitments for meetings and assignments.

Staff

The staff should assist the committee at each meeting to the fullest extent possible by researching and providing background information, options and recommendations. This includes providing appropriate reference materials for each meeting, identifying the elements of a problem, listing the questions that

need answering, participating in the discussion, alerting the committee when it is deviating from the policy of the organisation or exceeding its authority, and accepting whatever final decision is reached unless the issue is so important that a higher authority should be consulted.

The staff are responsible for preparing the agenda and drafting the minutes or highlights, as appropriate, of each meeting for review and approval by the committee chair.

The staff are responsible for coordinating committee activities and sharing information with other committees and staff as appropriate.

The staff may also be called on to help the committee identify goals, focus on major issues, create new programmes, draft reports, and organise and implement the activities approved by the committee.

The staff should also report on progress made towards achieving the Committee's goals.

The staff should play an active role and can encourage the committee toward a desired end, but should not command. The staff should make clear what they believe to be the right solution, but contrary decisions should be accepted with good grace. Members should not object to a strong staff presence if the staff are competent and objective.

Orientation of New Chair and Committee Members

Once a committee has been formed, succeeding chairs will usually be selected from among the active members of the committee and will have a good knowledge of current operations and committee projects. The process for selecting the chair should be made clear. Nevertheless, the chair will be assuming new and different responsibilities, and will need to deal with at least some new members. Orientation of new committee chairs and members is an important responsibility. It may be carried out by the assigned staff, by the CEO, and/or by the predecessor and successor chairs, as applicable in the circumstances. The following points should be covered during the orientation:

- the committee's history and current work programme, its goals and their relationship to the organisation;
- the boundaries of the committee activity and authority;
- the role and responsibilities of the committee chair, members and staff;
- operating policies, such as those dealing with quorums, voting procedures, meeting locations, etc.;
- a current list of committee members and complete background material outlining current and previous committee activities (this would include copies of the minutes of previous committee meetings);
- staff and other assistance available; and
- planned meeting dates.