

Alabama Real Estate Appraisers Board

Functional Analysis & Records Disposition Authority

**Revision
Presented to the
State Records Commission
October 25, 2000**

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Functional and Organizational Analysis of the Alabama Real Estate Appraisers Board

Sources of Information

Representative of the Alabama Real Estate Appraisers Board:

Jim Holland, Executive Director

Code of Alabama 1975, Sections 24-27A-1 through 24-27A-29

Code of Alabama 1975, Section 41-20-1 through 41-20-16 (Sunset Law)

Code of Alabama 1975, Section 41-22-1 through 41-22-27 (Administrative Procedures Act)

Alabama Administrative Code, Chapters 780-X-1 through 780-X-16

Alabama Real Estate Appraisers Board Audit Reports (1997)

Alabama Real Estate Appraisers Board Registry (1999)

The Appraiser Bulletin (Spring 1999)

Alabama Government Manual (1998)

Government Records Division, State Agency Files (1985-ongoing)

Agency Organization

The board consists of nine members appointed by the governor and confirmed by the senate. Two members must be selected from the general public. The remaining seven, each representing one of the seven U. S. Congressional Districts of Alabama, must be licensed real estate appraisers. Two of the nine members must be of a minority race. Each member serves a term of three years and cannot serve for more than two consecutive terms. Members elect a chairperson from among the membership. The board must meet at least once each quarter. A quorum for transaction of business consists of five board members, with at least four being appraiser members. The board appoints an executive director and other staff members. An organizational chart is attached.

Historical Context

Legislative Act 90-693 created the Alabama Real Estate Appraisers Board in 1990 to comply with requirements of U. S. Public Law No. 101-73, known as the Financial Institutions Reform Recovery and Enforcement Act (FIRREA) of 1989. Congress passed Public Law No. 101-73 to protect federal financial and public interests in real estate related transactions. Under FIRREA, only state licensed real estate appraisers are authorized to perform appraisals on federally related real estate transactions. The state legislature continued the board's existence following sunset review in 1992 and 1995.

Agency Function and Subfunctions

The mandated function of the Alabama Real Estate Appraisers Board is to license and regulate the profession of real property appraisal in Alabama. The board is one of the agencies primarily involved in carrying out the Regulatory function of Alabama government. In the performance of its mandated functions, the board may engage in the following subfunctions:

- **Promulgating Rules and Regulations.** Code of Alabama 1975, Section 34-27A-5, authorizes the board to adopt administrative rules and regulations to carry out its mandate. This subfunction encompasses activities pertaining to the establishment and promulgation of rules and regulations, including procedures for licensure and disciplinary proceedings.
- **Licensing.** Code of Alabama 1975, Section 34-27A-9 classifies the following five classes of real estate appraisers that are subject to licensure by the board: (1) Trainee Real Property Appraiser—applies to a person whose scope of practice is the appraisal of those properties which the supervising appraiser is permitted to appraise; (2) State Registered Real Property Appraiser—applies to the appraisal of non-federally related properties including non-complex appraisals of one to four residential property units having a transaction value less than \$1,000,000, or other types of real estate including complex appraisals of one to four residential property units having a transaction value less than \$250,000; (3) State Licensed Real Property Appraiser—applies to non-complex appraisals of one to four residential property units having a transaction value less than \$1,000,000, or other types of real estate including complex appraisals of one to four residential property units having a transaction value less than \$250,000; (4) State Certified Residential Real Property Appraiser—applies to the appraisal of one to four residential property units without regard to transaction value or complexity, and appraisals of other types of real estate having a transaction value less than \$250,000; (5) State Certified General Real Property Appraiser—applies to the appraisal of all types of real property regardless of complexity or transaction value.

To be qualified for licensure in any classification of real property appraiser, the applicant must be a United States citizen or an alien with permanent resident status, at least nineteen years old, possess a high school diploma or equivalent, and pass the Uniformed Standards of Professional Appraisal Practice course conducted by an approved institution or appraisal organization. In addition, each applicant must also completed certain required courses in subjects related to his/her real estate appraiser classification and pass specified written examinations. The board issues certificates of licensure to those applicants who are granted licenses as real property appraisers. All classes of licensees are required to renew their licenses every two years. Evidence of the equivalency of 28 hours of continuing education must be presented to the board before license can be renewed.

- **Permitting.** In accordance with Alabama Administrative Code, Chapter 780-X-11-.1, the board may issue a temporary permit to allow a person licensed in another state to practice a specific appraisal assignment in this state. A person desiring a temporary permit must file the application for registration and pay the required fee. The temporary permit is good only for 90 days under normal conditions. There is a limit of five temporary permits which can be issued to the same person during a two-year period.

- **Investigating Complaints or Violations.** Alabama Administrative Code, Chapter 780-X-14-.01 states that the board may initiate investigations against a licensee either on its own motion or upon the filing with the board of a letter of complaint. A Disciplinary Investigative Committee, consisting of the board's executive director and two board members, investigates the complaint to determine whether there is probable cause for disciplinary or enforcement proceedings. The board may enter into informal settlements with the licensee or may take formal disciplinary actions, including a formal disciplinary hearing if necessary. Upon a finding that the licensee has violated any rule or regulation established by the board, the board may reprimand, censure, place on probation, fine, suspend, or revoke the license.

- **Administering Internal Operations.** A significant portion of the agency's work includes general administrative, financial, and personnel activities performed to support the programmatic areas of the agency including:

Managing the agency: Activities involved in managing the agency include general administration such as corresponding/communicating, meeting, and directing; representing the agency; lobbying on behalf of the agency; reporting; publicizing; managing records; managing information systems and technology.

Managing finances: Activities involved in managing finances include the following: budgeting, which encompasses preparing and reviewing a budget package, submitting the budget package to the Department of Finance, documenting amendments and performance of the budget, and reporting in established budget status categories to the Department of Finance; purchasing, which encompasses requisitioning and purchasing supplies and equipment, receipting and invoicing for goods, and authorizing payment for products received; accounting for the expenditure, encumbrance, disbursement, and reconciliation of funds within the agency's budget through a uniform system of accounting and reporting; authorizing travel; contracting with companies or individuals; bidding for products and services; and assisting the Examiners of Public Accounts in the audit process.

Managing human resources: Activities involved in managing human resources include the following: recruiting and hiring eligible individuals to fill vacant positions within the agency; providing compensation to employees; providing benefits to employees such as

leave, health insurance, unemployment compensation, worker's compensation, injury compensation, retirement, and death benefits, and administratively supported but employee-funded benefits such as additional life and health insurance and tax-deferral and savings plans; and supervising employees, which includes hiring, promoting, demoting, evaluating performance, granting leave, and monitoring the accumulation of leave.

Managing properties, facilities, and resources: Activities involved in managing properties, facilities, and resources include the following: inventorying and accounting for non-consumable property and reporting property information to the Office of State Auditor; leasing/renting offices if the agency does not own their office space; and securing and maintaining state property in the care of the agency, including vehicles

Revision Completed: August 2000

Attachment: Organizational Chart

Analysis of Record Keeping System and Records Appraisal of the Alabama Real Estate Appraisers Board

Agency Record Keeping System

The Alabama Real Estate Appraisers Board currently operates a hybrid record keeping system composed of paper and electronic records.

Paper-based System: Staff members create and maintain most of the board's records in paper form.

Computer Systems: The board has seven Zenith Z-Station GT Pentium computers and three IBM computers, one Microsoft NT 3.51 server and one Novell NetWare 3.11 server. Staff members have access to the Internet and use Microsoft Outlook for e-mail. The board's database, created in Microsoft Access, maintains general licensure information such as applicant's name and address, type of license, license number, continuing education evidence, and complaint data. A complete backup of computer files is performed nightly with 4mm-DL 120M tapes. Back up tapes are kept in the board's office.

The board maintains a web site at <http://agencies.state.al.us/reab>. Information on the web site includes a list of board members and staff, description of different types of licenses, and procedures for licensure. The information is also available in the board's paper records.

Records Appraisal

The following is a discussion of the two major categories of records created and/or maintained by the Alabama Real Estate Appraisers Board: Temporary Records and Permanent Records.

I. Temporary Records. Temporary records should be held for what is considered to be their active life and disposed of once all fiscal, legal and administrative requirements have been met. Some of the temporary records created by the board are discussed below:

- **Licensure Files.** The board is responsible for examining and licensing applicants as real estate appraisers. These files serve as evidence of the scope of a licensee's professional practice in this state. A typical licensure file may contain a completed application form, renewal documents, copies of payment checks, correspondence, proof of continuing education, and discipline records. Since any person whose license has been revoked may apply for reinstatement after two years (five years for a licensee convicted of a crime of moral turpitude), the board must maintain expired licensure files for a minimum of five years to meet the potential reinstatement needs.

II. Permanent Records. The Government Records Division recommends the following records as permanent.

Promulgating Rules and Regulations:

- **Published Rules and Regulations.** The board compiles and publishes rules and regulations to inform the public about the procedures to be followed for licensure. Although information contained in these volumes is a duplication of the sections of the Code of Alabama and Alabama Administrative Code, the publications document what the board publishes and gives to the public. It is also a ready reference tool for access to the laws governing real estate appraisers. (RDA page 3-2) (**Bibliographic Title: Rules and Regulations**)
- **Meeting Minutes of the Board.** The board generally meets once a month to conduct its business. Special meetings may be called as necessary by a quorum of the board. Meeting minutes are the core documentation of the board’s policy making and other program related functions. (RDA page 3-2) (**Bibliographic Title: Meeting Minutes**)

Licensing:

- **Registry.** In accordance with the Alabama Administrative Code, Chapter 780-X-1-.15, the board compiles and publishes annually a registry of the names and addresses of all persons licensed by the board to perform real estate appraisals. The registry provides the best source of information on the membership of licensed real estate appraisers in this state. (RDA page 3-3) (**Bibliographic Title: Registry of Licensees**)

Permitting:

Permanent records documenting this subfunction are found in the Meeting Minutes of the Board as described in the Promulgating Rules and Regulations subfunction.

Investigating Complaints or Violations:

Permanent records documenting this subfunction are found in the Newsletters as described in the Administering Office Operations subfunction.

Administering Internal Operations:

- **Newsletters.** Dubbed as “The Appraiser Bulletin,” the newsletter is published quarterly by the board to communicate with all licensees. Information generally includes new rules, rule changes, disciplinary action reports, record keeping requirements for licensees, approved

continuing education courses and sponsors, and names of appraisers who have not renewed their licenses. (RDA page 3-3) (**Bibliographic Title: Newsletters**)

Revision Completed: August 2000

Permanent Records List
Function: Regulatory
Alabama Real Estate Appraisers Board

Promulgating Rules and Regulations:

1. Published Rules and Regulations
2. Meeting Minutes of the Board

Licensing:

1. Registry

Administering Internal Operations:

1. Newsletters

Alabama Real Estate Appraisers Board Records Disposition Authority

This Records Disposition Authority (RDA) is issued by the State Records Commission under the authority granted by the Code of Alabama 1975, Sections 41-13-5 and 41-13-20 through 21. It was compiled by the Government Records Division, Alabama Department of Archives and History (ADAH), which serves as the commission's staff, in cooperation with representatives of the Alabama Real Estate Appraisers Board. The RDA lists records created and maintained by the board in carrying out its mandated functions and activities. It establishes retention periods and disposition instructions for those records and provides the legal authority for the Alabama Real Estate Appraisers Board to implement records destruction.

Alabama law requires public officials to create and maintain records that document the business of their offices. These records must be protected from "mutilation, loss, or destruction," so that they may be transferred to an official's successor in office and made available to members of the public. Under the Code of Alabama 1975, Section 36-12-40, "every citizen has a right to inspect and take a copy of any public writing in this state, except as otherwise expressly provided by statute." Records must be kept in accordance with auditing standards approved by the Examiners of Public Accounts (Code of Alabama 1975, Sections 36-12-2, 36-12-4, and 41-5-23). For assistance in implementing this RDA, or for advice on records disposition or other records management concerns, contact the ADAH Government Records Division at (334) 242-4452.

Explanation of Records Requirements

- This RDA supersedes any previous records disposition schedules governing the retention of the Alabama Real Estate Appraisers Board's records. Copies of superseded schedules are no longer valid and should be discarded.
- The RDA establishes retention and disposition instructions for records regardless of the medium on which those records may be kept.
- Electronic mail is a communications tool that may record permanent or temporary information. As for records in any other format, the retention periods for e-mail records are governed by the requirements of the subfunctions to which the records belong.
- Some temporary records listed under the Administering Internal Operations subfunction of this RDA represent duplicate copies of records listed for long-term or permanent retention in the RDAs of other agencies.
- Certain other record-related materials need not be retained as records under the disposition requirements in this RDA. They may be disposed of in whatever way the agency determines best. Such materials include: (1) duplicate record copies that do not require official action, so long as the creating office maintains the original record for the period

required; (2) catalogs, trade journals, and other publications received that require no action and do not document government activities; (3) stocks of blank stationary, blank forms, or other surplus materials that are not subject to audit and have become obsolete; (4) transitory records which are temporary records created for short-term internal purposes that may include, *but are not limited to*: telephone call-back messages; drafts of ordinary documents not needed for their evidential value; copies of material sent for information purposes but not needed by the receiving office for future business; and internal communications about department social activities, such as a note to a group going to lunch.

Records Disposition Requirements

This section of the RDA is arranged by subfunctions of the Alabama Real Estate Appraisers Board and lists the groups of records created and/or maintained by the board as a result of activities and transactions performed in carrying out these subfunctions. The board may submit requests to revise specific records disposition requirements to the State Records Commission for consideration at its regular quarterly meetings.

■ **Promulgating Rules and Regulations**

PUBLISHED RULES AND REGULATIONS

Disposition: PERMANENT RECORD.

MEETING MINUTES OF THE BOARD

Disposition: PERMANENT RECORD.

Recordings of Meetings

Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the records were created.

■ **Licensing**

Incomplete Application Files

Disposition: Temporary Record. Retain 5 years.

Disapproved Application Files

Disposition: Temporary Record. Retain 5 years.

Examination Records (Failed)

Disposition: Temporary Record. Retain 5 years.

Examination Records (Passed)

Disposition: Temporary Record. Retain 5 years after the licensee becomes inactive.

Licensure Files

Disposition: Temporary Record. Retain 5 years after the licensee becomes inactive.

Licensure Database

Disposition: Temporary Record. Retain for useful life.

Continuing Education Course and Sponsor Files

Disposition: Temporary Record. Retain 5 years after approval.

■ **Permitting**

Temporary Permit Files

Disposition: Temporary Record. Retain 5 years.

■ **Investigating Complaints or Violations**

Unsubstantiated Complaint and Violation Investigation Files

Disposition: Temporary Record. Retain 5 years.

Substantiated Complaint and Violation Investigation Files

Disposition: Temporary Record. Retain 5 years after the licensee becomes inactive.

Disciplinary Hearing Transcripts

Disposition: Temporary Record. Retain 5 years after the licensee becomes inactive.

Complaint Logs

Disposition: Temporary Record. Retain for useful life.

■ **Administering Internal Operations**

Managing the Agency:

NEWSLETTERS

Disposition: PERMANENT RECORD.

Board Member Files

Disposition: Temporary Record. Retain 5 years after the end of term.

General Correspondence/Memoranda

Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the records were created.

Sunset Committee Review Records

Disposition: Temporary Record. Retain for useful life.

Reference Files

Disposition: Temporary Record. Retain for useful life.

Records documenting the implementation of the board's approved RDA (copies of transmittal forms to the Archives and the State Records Center, evidence of obsolete records destroyed, and annual reports to the State Records Commission)

Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the records were created.

Copies of RDA

Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the RDA is superseded.

Computer system documentation (hardware/software manuals and diskettes, warranties, records of access/authorities, file naming conventions, Y2K records)

Disposition: Temporary Record. Retain documentation of former system 3 years after the end of the fiscal year in which the former hardware and software no longer exists anywhere in the agency and all permanent records have been migrated into a new system.

Managing Finances:

Records documenting the preparation of a budget package and reporting of the status of funds, requesting amendments of allotments, and reporting program performance

Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the records were created.

Records documenting the requisitioning and purchasing of supplies and equipment, receipting and invoicing for goods, and authorizing payment for products

Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the records were created.

Records of original entry or routine accounting transactions, such as journals, registers, ledgers, and funds deposited outside the state treasury.

Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the records were created.

Records documenting requests for authorization from supervisors to travel on official business either within or outside the state, and other related materials, such as travel reimbursement forms

Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the records were created.

Records documenting contracts for services or personal property

Disposition: Temporary Record. Retain 6 years after expiration of the contract.

Records documenting the bid process, including requests for proposals and unsuccessful responses
Disposition: Retain in office (Code of Alabama 1975, Section 41-16-24)

Agency Audit Reports

Disposition: Temporary Record. Retain 6 years after the end of the fiscal year in which the records were created.

Managing Human Resources:

Job Recruitment Materials

Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the records were created.

Position Classification Files

Disposition: Temporary Record. Retain 4 years after position is reclassified.

Application Materials

Disposition: Temporary Record. Retain 1 year.

Records documenting payroll (e.g. pre-payroll reports, payroll check registers)

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

Records documenting payroll deductions for tax purposes(including Form 941)

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

Records documenting employee hours worked, leave earned, and leave taken

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

Records documenting employees' daily and weekly work schedules

Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the records were created.

Records documenting leave donations

Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the records were created.

Records of final leave status

Disposition: Temporary Record. Retain record of individual employees' cumulative leave 6 years after separation of employee from the agency.

Records documenting an employee's work history - generally maintained as a case file

Disposition: Temporary Record. Retain 6 years after separation of an employee from the agency.

Records documenting the employee appeal to the Personnel Board of formal reprimands, personnel suits, demotions, transfers, or terminations

Disposition: Temporary Record. Retain 5 years following decision of Personnel Board.

Employee Flexible Benefits Plan Files (applications and correspondence)

Disposition: Temporary Record. Retain 6 years.

Records documenting the State Employee Injury Compensation Trust Fund (SEICTF) Claims

Disposition: Temporary Record. Retain 6 years after separation of the employee from the agency.

Employee Administrative Hearing Files

Disposition: Temporary Record. Retain 6 years after separation of employee from department.

Managing Properties, Facilities, and Resources:

Semiannual Inventory Lists

Disposition: Retain in office. (Code of Alabama 1975, Section 36-16-8[1])

Transfer of State Property Forms (SD-1 Agency Copy)

Disposition: Temporary Record. Retain 3 years after end of the fiscal year in which the records were created.

Property Inventory Cards

Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the items were removed from inventory.

Receipts of Responsibility for Property

Disposition: Temporary Record. Retain until return of item to property manager.

Real Property Leasing/Renting Records

Disposition: Retain 6 years after the termination of the lease or rental agreement.

Facilities/Buildings Security Records (including visitor logs)

Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the records were created.

Vehicle and Equipment Maintenance Files

Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the property is sold or replaced.

Facilities/Buildings Security Records (including visitor logs)

Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the records were created.

Motor Pool Vehicle Use Records

Disposition: Temporary Record. Retain 3 years after the end of the fiscal year in which the records were created.

Insurance Policies/Risk Management Records

Disposition: Temporary Record. Retain 6 years after termination of policy or membership.

Building Maintenance Work Orders

Disposition: Temporary Record. Retain 1 year.

Approval of Records Disposition Authority

By signing this agreement the Alabama Real Estate Appraisers Board acknowledges its responsibilities for the proper management of its records and agrees to abide by the implementation guidelines listed below:

- The Alabama Real Estate Appraisers Board will designate a managerial position as the agency records officer. This position is responsible for: ensuring the development of quality record keeping systems that meet the business and legal needs of the board, coordinating the transfer and destruction of records, ensuring that permanent records held on alternative storage media (such as microforms and digital imaging systems) are maintained in compliance with national and state standards, submitting an annual report on records management activities to the State Records Commission in October of each year, and for ensuring the regular implementation of the board's approved RDA.
- Permanent records in the Alabama Real Estate Appraisers Board's custody will be maintained under proper intellectual control and in an environment that will ensure their physical order and preservation.
- Destruction of temporary records, as authorized in this RDA, should occur agency-wide on a regular basis--for example, after the successful completion of an audit, at the end of an administration, or at the end of a fiscal year. Despite the RDA's provisions, no record should be destroyed that is necessary to comply with requirements of the state Sunset Act, audit requirements, or any legal notice or subpoena.
- The board should maintain full documentation of any computerized record-keeping system it employs. It should develop procedures for: (1) backing up all permanent records held in electronic format; (2) storing a back-up copy off-site; and (3) migrating all permanent records when the system is upgraded or replaced. If the board chooses to maintain permanent records solely in electronic format, it is committed to funding any system upgrades and migration strategies necessary to ensure the records' permanent preservation and accessibility.

- The Alabama Real Estate Appraisers Board agrees to allow the staff of the State Records Commission or the Examiners of Public Accounts to examine the condition of the permanent records maintained in the custody of the board and to inspect records destruction documentation. Government Records Division archivists are available to train the board staff in RDA implementation and otherwise assist the board in implementing its records management program.

This records disposition authority is hereby adopted.

By: _____ Date: _____
Jim W. Holland, Jr., Executive Director
Alabama Real Estate Appraisers Board

By: _____ Date: _____
Edwin C. Bridges, Chairman
State Records Commission