

Pinnacle Award Rules



Rules for the 2020 Production Year

APPLICATION DEADLINES

EMAIL - WEDNESDAY,
FEBRUARY 3, 2021, 11:59 PM

PAPER - THURSDAY,
FEBRUARY 4, 2021, 4:00 PM

**PINNACLE AWARDS
CELEBRATION
JUNE 10**

1. ELIGIBILITY

- Any independent contractor (officer or otherwise) and/or employee of any real estate broker (individual or firm)
- Applicant's Broker Firm must be in good standing with the DeKalb Association of REALTORS® and dues for all its members paid for the qualifying and current year.
- Applicant must be a REALTOR® member in good standing of the DeKalb Association of REALTORS® (DAR) and dues paid for both qualifying and current year
- Both salaried or independent contractors are eligible for the award
- It is the responsibility of the applicant's broker to verify qualifying transactions and Gross Commission Income.

2. QUALIFYING TRANSACTION PERIOD (QTP)

ONLY transactions and income received during the qualifying year, January 1, 2020 through December 31, 2020, shall be allowed.

3. GROSS COMMISSION INCOME (GCI) AND TRANSACTION QUALIFICATIONS:

Individual applicants must fulfill the following requirements: *(See example sheet attached)*

A-1. Sales Transactions

- Closed "NEW BUSINESS" *for a minimum of **\$50,000 Gross Commission Income (GCI)**. OR
- 25 closed transaction sides for which a commission was paid for business generated by the applicant.

NOTES:

*GCI shall be defined as applicant's production of sales, listings, leases, management fees, and referral income. Credit shall be 100% of the commissions and fees paid to the applicant's brokerage company for that applicant's production during the qualifying year. If applicant has any income from a transaction for a property where the applicant has any owner interest, applicant will not receive credit for income equal to the percent of ownership interest. However, credit will be allowed for closed transactions involving family members who are investors or builders provided the applicant's broker is paid a commission.

Do not subtract brokerage desk fees, MLS fees, etc.

*GCI does not include:

- Income from Appraisals
- Income from Evaluations and consultations of any kind, regardless of purpose

*If applicant is on a team, the qualifying GCI would be credited to the applicant not the total amount paid to the team.

*If more than one individual within the same company participates as the selling agent, the listing agent or the leasing agent, the credit allowed shall be in the same proportions as the division of commission (or credits for commission) between the individuals. If a referral, credit shall be the amount/percentage earned by the applicant.

*Co-Agents: Total credit amounts claimed by co-agents for purposes of qualifying for the Pinnacle Award may not exceed a combined amount of 100% of the commission paid on that side of the transaction.

A-2. Lease Transactions

- For leases, "NEW BUSINESS" GCI is counted towards units for the first term of the lease transaction. Lease income can only be claimed for the QTP in which it is received.
- 25 completed transaction sides for which a commission was paid for business generated by the applicant.

NOTES:

*GCI shall be defined as applicant's production of sales, listings, leases, management fees, and referral income. Credit shall be 100% of the commissions and fees paid to the applicant's brokerage company for that applicant's production during the qualifying year. If applicant has any income from a transaction for a property where the applicant has any owner interest, applicant will not receive credit for income equal to the percent of ownership interest. However, credit will be allowed for closed transactions involving family members who are investors or builders provided the applicant's

broker is paid a commission.

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*If more than one individual within the same company participates as the selling agent, the listing agent or the leasing agent, the credit allowed shall be in the same proportions as the division of commission (or credits for commission) between the individuals. If a referral, credit shall be the amount/percentage earned by the applicant.

*Co-Agents: Total credit amounts claimed by co-agents for purposes of qualifying for the Pinnacle Award may not exceed a combined amount of 100% of the commission paid on that side of the transaction.

B. Applicants who change offices during the QTP must notify DeKalb REALTORS® within 30 days of changing brokerage firms to qualify.

C. Transferring credits will be considered from applicants who transfer from other REALTOR® Associations with previous brokers' and current Associations' verification provided there is no more than a 30-day lapse in application and payment of dues for DAR membership.

D. Applicants whose license was suspended during QTP, or are currently under suspension will be disqualified.

4. APPLICATION SUBMISSION

A. All applicants must submit an award application to the Pinnacle Award Committee, which includes:

- (1) Application Form (Paper or Email (pinnacle@dekalbrealtors.com))
- (2) Application Fee (\$75)
- (3) If walk-in, make checks payable to DeKalb REALTORS®
- (4) Applicant Professional Photograph. Photos should be high resolution. At least 500x500 dpi
- (5) Pinnacle Award Transaction Spreadsheet or a computer-printed form that contains the information required on the Pinnacle Award Transaction Spreadsheet as long as it includes the following information:
 - Property Address
 - Closing Date
 - Gross Commission (paid to the company before any Brokerage specific deductions or MLS fees are deducted)
 - Percentage side of transaction claimed (Listing/Selling or Leasing Agent*)
 - Percentage of GCI claimed by the applicant of the Gross Commission

*Example: If you co-list and received one-half of the listing side, your side claimed would be .5.

1. Applicant must use the Pinnacle spreadsheet or any other computer generated spreadsheet that auto-calculates.
2. If the applicant changed companies during the calendar year, a separate transaction detail sheet(s) must be provided for each brokerage company. Each previous Broker's additional page must be signed by the applicant and also certified by his/her previous Managing Broker.

B. DEADLINES:

- (1) **Email application** (pinnacle@dekalbrealtors.com): signed application, transaction spreadsheet, and payment must be received **no later than 11:59 pm on February 3, 2021**. The Pinnacle Committee highly recommends using the email application. The Association will confirm receipt of email applications, but is not responsible for applications that are not received. *Check your inbox and spam folders for application receipt.* If a receipt email is not received, it is your responsibility to immediately contact the Association at 770-493-6100.
- (2) **In person or mail application**: signed application, transaction spreadsheet, photograph, and payment must be received in the Association office **no later than 4:00 pm on February 4, 2021**.
- (3) Applications received after the deadline will be returned to the applicant and will not be considered.

C. Photographs: A photo **must** be electronically transmitted to DeKalb REALTORS® by the application deadline. Photos deemed inappropriate by the Committee will not be used. Photos must be in print-ready jpg format, a minimum of 500 dpi and emailed with applications to pinnacle@dekalbrealtors.com. Please submit photo at the time of application

Once submitted, applications and all supporting documentation become the sole property of the DeKalb Association of REALTORS®. Materials submitted will be shredded and will not be retained by the Association.

D. The Pinnacle Award: The approved applicant will be recognized as follows:

Pinnacle Award Recipient: All approved applicants who close "NEW BUSINESS" for a minimum of either \$50,000 Gross Closed Commissions Income (GCI) paid to the applicant's brokerage company or 25 closed transaction sides for which a commission was paid to the applicant's brokerage company during 2020 for business generated by the applicant. All applicants will be identified with their names and brokerage names, as well as team affiliation, if any. For leases, "new business" is counted toward units for the first term of the lease transaction. Lease income may be claimed for the year it is received.

E. Top Producer Awards: After the submission deadline, all applicants, including potential Top Producers, will be subject to an audit. (See F, Application Review/Audit for details.)

1. The Top Twenty-Five based on GCI for all sales and leases
2. The Top Three based on Units (Listing/Sales sides of transactions, no Leases)
3. The Top Three based on Units (Leases only, no Listing/Sales transactions)
4. Rising Star REALTOR® (1 year or less during qualifying transaction period) GCI or Units

F. Application Review/Audit: Each application will be reviewed by the Pinnacle Award Committee. The applicant is not required to submit documentation beyond the Application and Transaction Form (spreadsheet) with the application. However, at the discretion of the Pinnacle Award Committee, the applicant may be required to provide documentation in order for the application to be reviewed or audited. Brokers of all candidates to be considered for a Top Producer Award and audited applicants will be required to provide requested additional documentation to be received at the Association office no later than the audit deadline of February 19, 2021 by 5:00 pm. Failure to submit documentation for audit by the deadline will disqualify the applicant from consideration for Top Producer status and may result in the application being denied for that year.

Required audit information may include:

- Contract property legal description page/address page and fully executed signature page
- Rental/lease page with property address, terms of lease and signature page
- Rental/lease copy of check for commission, referral or management fees
- Closing verification document (formerly HUD-1) showing commission paid
- Copy of check or transaction referral form showing amount paid to applicant for referral, etc.
- Brokerage commission printout to verify claimed commissions, or if the applicant prefers, the applicant's 1099

with social security number redacted

G. Failure to comply with the rules shall result in the disqualification of some or all transactions at the discretion of the Pinnacle Award committee. If a broker or agent submits a fraudulent application, he/she will be automatically disqualified.

5. USE OF DESIGNATION

A. Pinnacle Award recipients shall be authorized to use the Pinnacle Award designation approved by the Board of Directors of DeKalb Association of REALTORS® only during the year in which they are recipients of the Pinnacle Award. Life recipients of the Pinnacle Award shall be eligible to use such designation and insignia as long as they live and are members of the Association.

B. REALTOR® Member companies, local Boards, and REALTORS® shall not use the words “Pinnacle Award” or words similar thereto, in its awards or advertising except where this policy is used to denote receipt of the Pinnacle Award. The spirit of this rule is important to maintain the prestige of the recipients of the DeKalb Association of REALTORS® Pinnacle Award.

C. Top Producer award recipients advertising or marketing their Top Producer award must prominently display the year the award was received in any advertisement or marketing. Violation of this rule will result in the applicant’s ineligibility for the Pinnacle Award for the subsequent qualifying year.

6. FEE

The application fee of \$75.00 must accompany the application. **(Make checks payable to DeKalb REALTORS® or paid online through the Member Portal)** The application fee does not confirm the award luncheon reservation, which is a separate registration. An application fee enables the applicant to be considered for the Pinnacle Award. Prior to the reservation deadline, availability to attend the Pinnacle Award event is on a first come, first served basis until we reach facility capacity. The application fee is not transferable to a non-applicant and is not refundable. All attendees who are not sponsors or applicants must pay a guest fee to attend the Pinnacle Luncheon. Checks returned by the bank must be replaced by certified payment within one week of notification or applicant will be disqualified. Applicant must pay a return fee assessed per DeKalb Association of REALTORS® policy.

7. PINNACLE AWARDS CLASSES OF MEMBERSHIP

- A.** Member – REALTOR® who has been accepted for the qualifying year.
- B.** Life – REALTOR® who has been accepted for the qualifying year and for 3 consecutive years or any five years.
- C.** Phoenix – REALTOR® who has been accepted for the qualifying year and for 10 – 19 years.
- D.** Silver Phoenix – REALTOR® who has been accepted for the qualifying year and for 20 – 24 years.
- E.** Gold Phoenix – REALTOR® who has been accepted for the qualifying year and for 25 – 29 years.
- F.** Platinum Phoenix – REALTOR® who has been accepted for the qualifying year and for 30 – 39 years.
- G.** Diamond Phoenix – REALTOR® who has been accepted for the qualifying year and for 40 – 49 years.
- H.** Diamond Plus Phoenix – REALTOR® who has been accepted for the qualifying year and for more than 50+ years.

8. PREVIOUSLY EARNED AWARDS

- A.** If credit from another Association is used toward qualifying for any category of the Pinnacle Award, a written confirmation for

such credit must be provided by said Association and accompany the application.

B. Previously earned credits from the DeKalb Million Dollar Club will be honored at the same level in the Pinnacle Award. For example, 29 years in the Million Dollar Club will be recognized in the Pinnacle Award as Gold Phoenix.

9. ADMISSIONS SUB-COMMITTEE

The Pinnacle Committee Chair shall appoint an Admissions Sub-Committee which shall be composed of the committee Chair, Vice Chair and at least two DeKalb Life Members in the Pinnacle Awards. It shall be the duty of this sub-committee to determine which applications require auditing after all applications are received and reviewed. This sub-committee shall then submit a report to the Board of Directors of DeKalb Association of REALTORS® no later than the next Board of Directors' meeting, giving their recommendation with regard to each application.

10. MEMBERSHIP TERMINATION

As is the case of all organizations sponsored by DeKalb Association of REALTORS®, receipt of the Pinnacle Award shall be contingent upon membership in good standing in DeKalb Association REALTORS® for the qualifying year. If, for any reason, a recipient of the Pinnacle Award ceases to be a member of the Association, their Membership in the Pinnacle Award is automatically terminated.

11. APPROVAL OF DISSOLUTION

The Pinnacle Awards of DeKalb REALTORS® have been established and are sponsored by the Association, and all actions associated with the Pinnacle Awards shall be subject to the approval of the Board of Directors of the Association. DeKalb Association of REALTORS® reserves the right to dissolve the Pinnacle Awards at its discretion.

12. PINNACLE DIGITAL BADGE

Each Pinnacle recipient will receive a Pinnacle digital badge reflecting the year they qualified and the level they have achieved. The badge is a graphic icon to be used for recognition and marketing by the recipient.

13. THESE AMENDED RULES AND REGULATIONS OF THE PINNACLE AWARDS SHALL APPLY UNTIL MODIFIED BY THE BOARD OF DIRECTORS OF DEKALB ASSOCIATION OF REALTORS®.

(Examples on pages 7-8)

EXAMPLE 1

I represent the buyer on 123 Maple St. My Broker received a commission of \$10,000. The commission was split with another agent in my office. My split was 70%, the co-agent's split was 30%. What is the amount of GCI, and number of units I can claim?

ANSWER: I will claim \$7,000 GCI and .7 units on my Pinnacle Transaction Form. (*Note: MLS, FMLS or fees due to the Broker are not deducted)

1	Property Address	Closing Date	Sales Unit	List Unit	Lease Unit	% of the GCI to company claimed by applicant	GCI to Company	Net Commission
	123 Maple	5/8/2018	0.7			70.00%	10,000.00	7,000.00

EXAMPLE 2

I leased a property at 402 Oak St. My teammate and I split the commission. Can I use the unclaimed credits since my teammate is not applying for Pinnacle at DeKalb REALTORS®?

ANSWER: No, unclaimed credits may not be exchanged

EXAMPLE 3

I referred a seller to another agent for a referral fee of 25%. My Broker received a referral fee for the transaction. The check to my Broker was \$2500 which was 25% of the total commission split. What may I claim? How much of a unit credit may I take?

ANSWER: I may claim \$2500 GCI and I can claim .25 units.

3	Property Address	Closing Date	Sales Unit	List Unit	Lease Unit	% of the GCI to company claimed by applicant	GCI to Company	Net Commission
	478 Jones Ave	9/18/2018		0.25		100.00%	2,500.00	2,500.00

EXAMPLE 4A & 4B

As a listing agent, I listed a property to lease for \$1,600/mo. The total commission due to my Broker is \$1,200. The commission due to the leasing Broker is \$400. How much can I claim in GCI and units?

ANSWER: I can claim \$1,200 GCI and 1 unit. The leasing agent can claim \$400 and 1 unit.

4A	Property Address	Closing Date	Sales Unit	List Unit	Lease Unit	% of the GCI to company claimed by applicant	GCI to Company	Net Commission
	888 Zion Circle	4/1/2018			1	100.00%	1,200.00	1,200.00

(*Continuing Example 4B)

I also manage the above referenced property. I receive a management fee of \$160/mo = \$1,920 annually. How much GCI may I claim, and how many units.

ANSWER: I can claim \$1,920 GCI and 0 units.

4B	Property Address	Closing Date	Sales Unit	List Unit	Lease Unit	% of the GCI to company claimed by applicant	GCI to Company	Net Commission
	888 Zion Circle					100.00%	1,920.00	1,920.00

EXAMPLE 5A & 5B

I am a 50% owner of a property that I leased in 2018 and I procured the tenant. The lease term was 5 years at \$2,000/mo and the total commission paid to my Broker is \$2,000. As the listing agent how much can I claim as GCI and how many units?

ANSWER: A Pinnacle applicant that has owner interest in a property CANNOT claim the percentage of owner interest for any transaction involving that property. Therefore, I can claim \$1,000 GCI which is less 50% of the total commissions. And I can claim 1 transaction unit which is 50% less the total units for this transaction.

5A	Property Address	Closing Date	Sales Unit	List Unit	Lease Unit	% of the GCI to company claimed by applicant	GCI to Company	Net Commission
	414 Montreal St				1	50.00%	2,000.00	1,000.00

(*Continuing Example 5B)

If I received a monthly management fee of \$200/mo. from February – December 2018 for the same property, how much GCI can I claim and how many units?

ANSWER: I can claim an additional \$1100 GCI which is 50% less the total annual management fee of \$2,200. I can claim 0 units.

5B	Property Address	Closing Date	Sales Unit	List Unit	Lease Unit	% of the GCI to company claimed by applicant	GCI to Company	Net Commission
	414 Montreal St					50.00%	2,200.00	1,100.00

EXAMPLE 6

I manage a property that has a 3-year lease for \$2400/mo. The lease was signed in 2019. My broker received a monthly management fee of \$240. How much GCI and units can I claim for 2020?

ANSWER: GCI - $\$240 \times 12 = \$2,880$; units = 1 (Since this is an existing lease.)

6	Property Address	Closing Date	Sales Unit	List Unit	Lease Unit	% of the GCI to company claimed by applicant	GCI to Company	Net Commission
	201 Harter Dr				1	100.00%	2,880.00	2,880.00