

Position Title: Board of Directors (BOD)

Accountable to: Membership

Term: Elected to 3-year staggered terms by the membership.



Position Summary:

The board of directors is ultimately responsible to the membership. The board has the responsibility for the general direction and control of the affairs of the credit union. *General Direction* relates to policy decisions involving setting policy within the guidelines and regulations pertaining to credit unions, the credit union bylaws, and charter. *Control* involves ensuring that established policies and directions are carried out. This is accomplished with other board members and management to provide effective and efficient direction of the credit union to benefit members.

Establish and implement written policies and procedures that are clear, sound, and ethical, consistent with credit union objectives, are in compliance with all statutes, rules, regulations, and bylaws of the credit union and final, benefit the membership.

The credit union carries directors' and officers' liability insurance to protect volunteer board members. Directors' and officers' liability coverage is not a substitute for competent and prudent management

Duties and Responsibilities:

1. The board serves the credit union membership and no one else-not the president, not the auditors, and not the regulators.
2. The board provides direction and control of the credit union. The ultimate responsibility for the credit union rests with the board of directors.
3. Credit union directors have a fiduciary duty that includes two components:

The *Duty of Care*, in which directors must act in good faith and exercise their duties in a reasonable and prudent manner.

The *Duty of Loyalty*, whereby directors must put the interests of the credit union above their own-that is, avoid conflicts of interest

4. To review and approve the written policies of the credit union in the areas of:
 - A) Share savings-types, rates, and terms.
 - B) Loans-maximum loan amounts, interest rates, terms, and acceptable collateral.
 - C) Collections.
 - D) Investments and borrowing.

- E) Disaster recovery planning.
- F) Personnel.
- 5. Hire and retain a competent President who is responsible for:
 - A) Administering the day to day operations of the credit union.
 - B) Hiring, firing, promoting, training, and discipline for all personnel.
 - C) Administering the budget.
 - D) Developing programs to achieve the goals set by the board of directors.
- 6. Declare dividends.
- 7. Approve and review operations and budget to ensure the safety and soundness of the credit union.
- 8. Attend all scheduled board and committee meetings.
- 9. Maintain confidentiality of all members.

Secondary Board Responsibilities:

- 1. Appoint Supervisory Committee.
- 2. Appoint membership officer.
- 3. Elect officers of the board.
- 4. Designate depositories for funds.
- 5. Determine surety bond needs annually.
- 6. Authorize necessary insurance.

Qualifications Requirements:

- 1. A member in good standing of the Credit Union and a personal interest in participating in the Credit Union movement.
- 2. A commitment to attend all regular and special meetings.
- 3. A board member must be able to read and analyze financial statements.
- 4. Ability and desire to attend planning programs and appropriate educational conferences and seminars related to the responsibilities of a member of the BOD.
- 5. Demonstrated desire to learn about the Credit Union, its services, laws, and regulations that govern it and the duties and responsibilities of a member of the Supervisory Committee. Must recognize that the interests of the credit union have priority over individual interests.

6. A background in accounting, education, finance, human resources, law, management, marketing, information technology and/or retail is recommended but not required.

Compensation:

Volunteer basis-membership on the Board of Directors is voluntary and not subject to compensation. However, directors may be reimbursed for expenses incurred.