

## Requirements

1. Must be a member in good standing and be at least 18 years of age.
2. Must be willing to devote the time necessary to sufficiently perform the duties of a board member.
3. Must be able and willing to take the steps necessary to obtain the necessary knowledge and skills for board membership.

## POTENTIAL LIABILITIES

Directors retain ultimate responsibility for the credit union's actions and are therefore subject to potential liability. Breach of fiduciary duty may arise in conflicts of interest, confidentiality breaches, or negligence in the area of safety and soundness.

There is potential for civil suits, fines being imposed, and/or removal by federal regulators. A board member can best mitigate the potential for liabilities by doing the following:

- Consistently monitor the activities of management and employees
- Educate yourself regarding responsibilities via credit union provided education opportunities and other methods
- Attend and participate in meetings
- Provide for appropriate committees and regularly review their reports
- Establish adequate policies for board member standards

Credit union Articles of Incorporation and/or Bylaws provide indemnification of directors within state or federal law. Indemnification may not be provided for willful or illegal acts. The credit union also maintains insurance policies for instances of potential board liability.

## Supervisory Committee

The Supervisory Committee is another opportunity for credit union members to serve. Eligibility requirements are the same as that of board membership.

The Supervisory Committee has two general goals to ensure that:

1. Management's financial reporting objectives have been met and
2. Management practices and procedures safeguard members' assets.

In order to meet these goals the Supervisory Committee must determine whether management has:

- Established and maintained effective internal controls to achieve financial reporting objectives
- Promptly prepared reports that accurately reflect operations and results
- Properly administered all relevant plans, policies, and procedures established by the board of directors
- Established policies and controls that safeguard against error, carelessness, conflict of interest, self-dealing and fraud

**If you are interested in serving either on the board of directors or Supervisory Committee, send a letter of interest to the address shown below. Mark it Attention: Nominating Committee. You may also e-mail your letter to [gpfcu@greatplainsfcu.com](mailto:gpfcu@greatplainsfcu.com).**

P O Box 2968  
800-388-1318

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## Great Plains Federal Credit Union



**Board of Director  
Duties and  
Responsibilities**

*Credit unions are not-for-profit, member owned cooperatives whose philosophy is “Not for profit but for service”*

The organizational structure and philosophy of credit unions provides for a unique opportunity for service. The general direction and control is ultimately governed by a volunteer board of directors.

If you are grateful that you are a member and not just a number, consider becoming a board member or Supervisory Committee member today.

# Board of Directors

An effective Board of Directors can be a credit union's greatest asset. What does it take to be an effective board member?

Commitment to...

- the membership and their best interests
- be knowledgeable, informed, and responsive
- board development, individually and collectively

## General Duties

According to the National Credit Union Administration, board member duties include:

1. The board of directors is responsible for the general direction of the credit union.
2. A director must carry out his or her duties in good faith, in a manner reasonably believed to be in the best interest of the membership, and in a manner any prudent person would use in a similar position.
3. A director must administer credit union affairs fairly, impartially and without discrimination.
4. A director must have at least a working familiarity with basic finance and accounting practices.
5. A director must act in conformity with all applicable laws and sound business practices.
6. A director may rely on information that is believed to be reliable and competent and merits confidence.

## Specific Duties

- Develop credit union vision and strategies
- Monitor financial condition
- Set policies
- Ensure compliance
- Establish internal controls, business practices, and security
- Authorize borrowing and investing
- Monitor operation to ensure sound financial condition
- Undertake adequate ongoing education
- Report to membership
- Participate in monthly board meetings (currently held in Joplin, Missouri area) and annual meetings (currently held in Riverton, Kansas) or special-called meetings
- Represent and promote the credit union and its services
- Hire and evaluate Chief Executive Officer

*“There is incredible value in being of service to others” –*

**Elizabeth Berg,  
Author**