



## **JOB DESCRIPTION FOR DIRECTORS**

Title: Credit Union Director  
Reports to: Members  
Supervises: CEO

### **PRIMARY FUNCTION**

To set policy, plan the credit union's course, ensure the credit union maintains sound financial condition, keep communication open to educate members on services, review the CEO's progress in achieving goals and objectives, and report to members at the annual meeting.

Specific Duties:

1. Work with the CEO and board to develop objectives and goals for the credit union.
2. Ensure the credit union adheres to pertinent laws, regulations, and sound business practices.
3. Ensure that the credit union maintains sound financial conditions and that credit union assets are protected against unauthorized or illegal acts. Designate depositories, authorize borrowing and investing, and provide for bonding and other security factors, including internal control procedures. Approve interest rates, dividends, and refunds. Approve loan limits and savings minimums.
4. Establish policies or ensure they are established and approved for all credit union programs and activities, i.e., investments, loans, savings, personnel, and collections.
5. Develop new products and services as needed.
6. Approve credit union budget.
7. Hire the CEO, define the scope of the person's job, and review progress in attaining goals and objectives.
8. Attend monthly and special board meetings, exercise judgment independently from the CEO, and report to members at the annual meeting.

### **TIME COMMITMENT**

- One hour per month for the regular board meeting.
- One-half hour per month reviewing board reports before the meeting
- One hour to three hours per quarter for various committee assignments. Additional time for officer positions on board.
- Two to three hours annually for Strategic Planning Sessions.
- One hour annually for the Annual Meeting.
- Additional time as needed for special situations.

## **DIRECTOR QUALIFICATIONS**

Directors must, first, be members of the credit union. Beyond that, they should have:

- a willingness to serve the members
- the ability to comprehend and learn basic business concepts and procedures
- the desire to be a team player

In addition, experience has shown that successful directors share the following traits:

- Be an active credit union member, and use all your credit union's services. If you don't use them, how can you expect others to?
- Care about your members' welfare and the credit union's role in achieving that goal.
- Know the credit union's history and philosophy and be loyal to those beliefs.
- Give the time and effort necessary to perform the director's duties- prepare for, attend, and participate in all board meetings.
- Cooperate with other directors and support majority decisions.
- Be objective, exercise independent judgment, and avoid all conflicts of interest.
- Accept and adapt to change, welcome new ideas, and be imaginative.
- Constantly seek to improve one's self.
- Be enthusiastic about the job and the prospect of serving the members.

## **TRAINING REQUIREMENTS**

- Financial Literacy – one-time training to be completed within six months of the election
- Bank Secrecy Act – annual training

## **LEGAL CONSIDERATIONS**

Being a director carries definite legal liabilities. Imprudent actions or sometimes the lack of action can expose you to lawsuits. Courts have held that a lack of compensation does not relieve you of the high degree of care imposed on you by law. Neither does lack of experience. You are potentially liable to members, third parties, the credit union, your fellow directors, and your share insurer.

*You can take preventive measures to protect yourself against legal action, and the credit union carries insurance to protect itself and the directors against certain risks and lawsuits.*