



Associate Board Member Job Description

Description

This Policy describes the role and responsibilities of the Associate Board Member (Associate Director) of the Board of Directors (Board) of Ideal Credit Union (Credit Union).

Purpose

An Associate Board Member Program (Program) is an invaluable asset for the Credit Union. Associate Directors are not yet full, governing Board members, yet they can play a highly influential and persuasive role on the Board.

The Program strengthens the Board's renewal process by affording Associate Directors valuable exposure and "on-the-job" training. In this way, the Board can give an Associate Director an opportunity to learn about the Credit Union and become thoroughly oriented to "hit the ground running," should they ultimately join the Board as a full, governing Board member. It also allows the Board to confirm that the Associate Director will make a good Board member before he or she is nominated or appointed for full Board membership.

Authority

This Policy is adopted by majority vote of the Board pursuant to the Credit Union's Bylaws.

General

Associate Directors are treated in all ways as Board members except that they may not vote at Board meetings. They may serve on committees and may vote on those committees unless that vote would bind the Credit Union to a decision or course of action. There may be no more than three (3) Associate Directors at one time.

Associate Directors are expected to act as Board members and are bound to the same requirements of confidentiality, loyalty and care that bind Board members. They are requested to sign pledges affirming this standard and agreeing to be bound by the same legal and governing standards that apply to all Board members. They are expected to act at all times in accordance with the Credit Union's Bylaws and applicable Federal, state and local laws. Associate Directors shall attend and participate in appropriate Board and committee meetings, Board retreats and educational planning sessions, including Executive Sessions or closed committee meetings.

Qualifications

The qualifications for Associate Directors shall be the same as those for Board members.

Term & Resignation

Associate Board members serve at the pleasure of the Board. The term of each Associate Board member shall be one (1) year, and Associate Board members may be re-nominated for succeeding one (1) year terms, with a limit of three (3) terms. If they so choose, Associate Board members are asked to offer the Board Chair their resignation with a minimum of 60 days' notice.

Role & Responsibilities of Associate Directors

Board members are legally responsible for the Credit Union and all its activities; Associate Directors do not ultimately bear the same legal or governance responsibilities. However, it is important for Associate Directors to understand the legal duties of all Board members as summarized below and more fully in the policy entitled *Legal Duties of Credit Union Board Members*:

- 1. Duty of Care.** The duty of care calls upon Board members to act as a similarly situated, reasonable Board member would act, meaning that Board members maintain the responsibility to become and remain reasonably informed in making decisions and overseeing the Organization's business in the best interest of the members.
- 2. Duty of Loyalty.** The duty of loyalty requires the Credit Union's Board members to avoid improper conflicts of interests and requires fair dealing by all Board members involved in transactions where a personal or financial interest may arise.
- 3. Duty of Obedience.** The duty of obedience requires Board members to faithfully observe and comply with relevant Federal, state and local laws and ensure that the Credit Union is in legal and regulatory compliance. In addition, the duty of obedience requires Board members to faithfully observe and comply with all properly promulgated policies and procedures of the Credit Union, as well as its stated vision, mission and strategic direction.

Training will be assigned by the Chair on an annual basis. New members will also be assigned a mentor that will assist them through orientation and onboarding over the course of their first year.

Board Meeting agendas and supporting materials are released on the Friday before Board Meetings. All Board members are expected to read through the materials in preparation for the meeting.

Associate Board members may be assigned to various committees by the Board Chair. Committee meetings may be held monthly, quarterly, or on an as-needed basis. Committee meetings typically last 60-90 minutes. Regardless of committee assignment, all Associate Board Members are invited to attend the monthly ALCO (Asset & Liability Committee).

Current Standing Committees include: ALCO, CEO Relationship Committee, Governance, Executive Committee, Volunteer Committee, and Nominating Committee.

Associate Board members are encouraged to attend local, state, and national credit union events and conferences.

Governance Responsibilities

The above legal duties, are the minimum requirements for the Credit Union's Board members. Board members must effectively carry out their vital leadership, legal and stewardship responsibilities and act in the best interests of all the Members of the Credit Union. As such, they are also responsible for providing effective governance and leadership to the Credit Union. They play a key role based on their shared understanding of the Credit Union's purpose and goals, as well as their vision of how to best serve the evolving needs of the Credit Union's Members.

The Credit Union's Associate Directors, for all intents and purposes, also must meet the same governance responsibilities as outlined above and as set-forth in the Credit Union's *Board Member Job Description* and that follow here below.

If, however, there are any questions, Associate Directors should work together with the Board – and in constructive partnership with the Chief Executive Officer (CEO) and Senior Management – to help clarify any responsibilities in question.



1. Governance & Leadership

- Effectively help to govern and lead the Credit Union in constructive partnership with the CEO and Senior Management, as well as the Supervisory Committee.
- Act at all times in good faith and in a manner that the Board member believes is in the best interest of all the Credit Union's members.
- Act as an independent and objective evaluator of the strategic issues and questions that come before the Board.
- Maintain effective relationships with all elements of the Credit Union's governance structure (the full Board, the Supervisory Committee and the CEO and Senior Management).

- Provide high-level, strategic feedback and recommendations for Board-level policy changes.
- Serve on one or more Board level committees or task forces as requested.

2. CEO Support & Oversight

- Foster a constructive partnership with the CEO and Senior Management.
- Assist and provide counsel and guidance to the CEO when requested.
- Provide input into the CEO's annual performance evaluation, if requested to do so.

3. Oversee Performance & Results

- Understand finance and accounting practices and the Credit Union's financial reports.
- Ask fiduciary questions in Board and committee meetings necessary to carry out regulatory oversight duties.

4. Strategic Thinking, Learning & Planning

- Ask strategic and generative questions in Board and committee meetings to further the Credit Union's vision, mission and strategic goals.
- Provide recommendations to the CEO and Senior Management to enhance the Credit Union's strategic performance and results.
- Adopt a learning philosophy and serve as a model and conduit for sustained learning in the Credit Union's boardroom.
- Meet or exceed the Credit Union's requirements regarding its Volunteer Education Policy.

5. Budget, Resource & Risk Approval

- Develop a fundamental understanding of the Credit Union's budget, including core revenue and expenditure categories, product and service lines, etc.
- Work to ensure an individual understanding of the risks facing the Credit Union and the industry as a whole – from both the mitigation and the opportunity points of view.

6. Membership & Community Outreach

- Identify innovative ways the Credit Union can improve the lives of its member, their families and the communities where the Credit Union operates.
- Act as an active ambassador to the Credit Union's membership, in constructive partnership with the CEO and Senior Management.
- Seek opportunities where the Credit Union might develop organizational or business partnerships, in constructive partnership with the CEO and Senior Management.

7. Stewardship, Ethics & Financial Integrity

- Hold yourself and others to the highest standard of ethical standards and accountability.
- Commit to adhering to the Credit Union's organizational values and Code of Ethics.
- On an annual basis, determine any outside interests that might impact your ability to impartially serve as a Credit Union Board member; report such interests to the Credit Union through the Conflicts of Interest Disclosure Statement.
- Ensure that any and all personal financial dealings with the Credit Union are fair, fully transparent and, as appropriate, approved by the Board.

Note: For any items that require a vote of the full Board, Associate Directors may only provide their opinions prior to the vote and/or they may vote at the committee level only to advise and recommend action(s) to the full Board.