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TO: Kansas Chartered Credit Unions
SUBJECT: Pandemic Planning

PANDEMIC PLANNING

On March 6, 2020, the Federal Financial Institutions Examination Council (FFIEC) issued updated [guidance](#) identifying actions financial institutions should consider to minimize potential adverse effects of a pandemic. This issue may be more relevant now that the coronavirus (COVID-19) has been [diagnosed](#) in a Kansas resident.

Pandemics are defined as an outbreak of a disease that occurs over a wide geographic area and affects an exceptionally high proportion of the population, possibly worldwide. Adverse economic effects could be significant, both nationally and internationally. Financial institutions should have plans in place that describe how they will manage through a pandemic event.

Pandemic planning presents unique challenges to financial institution management and differs from traditional business continuity planning. Unlike natural disasters, the impact of a pandemic is more difficult to determine because of the unknown scale and duration. Experts predict that the most significant challenge may be staffing shortages due to absenteeism. Pandemic plans should be flexible to address a wide range of possible effects.

A credit union's business continuity plan should provide for a preventative program to reduce the likelihood that its operations will be significantly affected by a pandemic event, including monitoring of potential outbreaks, educating employees, communicating and coordinating with critical service providers and suppliers.

The credit union's plan should be consistent with the effects of a particular stage of a pandemic outbreak. Additional [information](#) is available from The Centers for Disease Control (CDC).

A comprehensive framework of facilities, systems or procedures should provide the organization the capability to continue its critical operations in the event that staff members may be unavailable for prolonged periods. This would include social distancing to minimize staff contact, telecommuting and/or redirecting members to electronic banking services. Do you need restrictions on member access? If there is an increase in telecommuting and/or online access, can your technology infrastructure handle the increased traffic? Analysis of your remote access capabilities will be vital.

There are a number of good resources contained within the FFIEC guidance that can be utilized by credit union management. Additional information is also being provided by the [Credit Union National Association \(CUNA\)](#). If operational issues persist, you may contact KDCU for guidance.

In addition to the above, speculation exists that the virus could lead to an economic crisis, including recession, according to a *The Washington Post* [article](#). Instability in the economy has the potential to affect your members and your credit union. Has your credit union thought about the possible impact?