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BULLETIN: 2022-KDCU-CUB-5
TO: Kansas Chartered Credit Unions
SUBJECT: Boards of Directors

BOARDS OF DIRECTORS

The Kansas Credit Union Act outlines the duties of a credit union board of directors; however, the most important thing to remember is the board is the ultimate decision-making authority of the credit union. Generally, the board “shall...authorize any action not inconsistent with the state credit union code.” K.S.A. 17-2209(b)(11). The board and management have a fiduciary responsibility to their members to maintain high standards of professional conduct. ([NCUA Examiner's Guide, Chapter 7](#))

In the Examiner’s Guide, the National Credit Union Administration (NCUA) outlines the board’s four basic responsibilities:

- Select qualified management and evaluate management’s performance;
- Establish, regularly review, and revise, as necessary, business goals, standards, policies and procedures;
- Review operating results and performance of new and existing activities; and
- Ensure compliance with applicable laws and regulations, and the credit union’s own policies and procedures.

To fulfill those responsibilities, board members should:

- Operate independently from management;
- Attend board meetings regularly;
- Avoid conflicts of interest and self-serving practices; and
- Ensure the credit union serves the credit and savings needs of its field of membership.

Items reviewed during an examination include (1) whether the board is appropriately fulfilling its responsibilities and duties; and (2) whether the board establishes appropriate limits and provides direction before offering a new service or product.

The NCUA has a number of helpful videos on their [YouTube](#) channel. Topics include Strategic Planning, Reporting and Monitoring, Understanding Financial Statements and Effective Board Meetings.

Please consider sharing this information with your Board of Directors.