



SUPERVISORY COMMITTEE MEMBER POSITION DESCRIPTION

POSITION TITLE: Supervisory Committee Member
REPORTS TO: Board of Directors
SUPERVISES: Internal Auditor

POSITION SUMMARY:

The Supervisory Committee is responsible for ensuring that the Credit Union meets required financial reporting objectives and has established practices and procedures sufficient to safeguard Members' assets. Their ability to understand and appreciate the Credit Union's strategic priorities, and our number one priority of Member Service should be at the forefront of their decisions.

POSITION RESPONSIBILITIES:

- Determine that internal controls are established and effectively maintained to achieve the Credit Union's financial reporting objectives, which must be sufficient to satisfy the requirements of the annual financial statement audit and the verification of Members' accounts.
- Responsible for selecting independent auditor(s) to perform an annual financial statement audit of the Credit Union and a verification of its Members' accounts in accordance with Credit Union policy and regulatory requirements.
- Ensure that the Credit Union's accounting records and financial reports are promptly prepared and accurately reflect operations and results.
- Determine that the relevant plans, policies and control procedures established by the Board of Directors are properly administered to safeguard against error, conflict of interest, self-dealing and fraud.
- Ensure implementation of and compliance with all Credit Union Bylaws and policies, and state and federal laws and regulations.
- Carry out the duties of the Supervisory Committee of the Credit Union fairly and impartially and without discrimination in favor or against any particular Member. Encourages genuinely diverse viewpoints and thought.



- Review audit and examination findings and follow-up with the Internal Auditor to ensure that management takes the necessary corrective action.
- Consider the business of the Credit Union and its Members to be confidential in nature and treat it accordingly.
- Monitor the activities of the Board of Directors and suspend any Member of the Board of Directors, if necessary, in accordance with Credit Union Bylaws and regulations.
- Attend Supervisory Committee meetings as scheduled, unless excused.
- Attend regular and special meetings of the Board, unless excused.
- Complete all educational requirements established by the Board of Directors and external regulatory entities.
- Commitment to continually develop skills and knowledge of the credit union movement.

POTENTIAL LIABILITY EXPOSURE:

Individuals who become Supervisory Committee Members (Committee Members) have significant duties and responsibilities, which should never be taken lightly. Committee Members are responsible for ensuring the Credit Union meets required financial reporting objectives and has established practices and procedures sufficient to safeguard Members' assets in accordance with the Federal Credit Union Act, the Consumer Financial Protection Bureau (CFPB), the National Credit Union Administration's (NCUA) Rules and Regulations, the Credit Union Bylaws and all other applicable law and sound business practices. This means that each Committee Member must carry out his or her duties in good faith, in a manner reasonably believed to be in the best interests of the Membership, and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

State Chartered credit unions are supervised and regulated by their prudential regulators, the NCUA and the State Department of Commerce. Additionally, other federal agencies such as the CFPB and Financial Crimes Enforcement Network (FinCEN) have regulatory and enforcement authority in connection with consumer financial laws and anti-money laundering laws and regulations. This authority extends to Directors, Committee Members and Officers. While such individuals are not often exposed to personal liability, in some circumstances, Directors as well as Committee Members, can incur personal liability and reputational harm in connection with wrongful or unsafe acts and practices, which can then be deemed to constitute breaches of fiduciary duty, negligence and violation of laws.

As an illustration, the NCUA has the power to enforce violations of applicable laws and regulations or breach of fiduciary duties through the imposition of civil money penalties (CMPs) which, depending on severity, could range anywhere from several thousand dollars to over a million dollars for egregious breaches or violations. The Credit Union carries Director & Officer Liability Insurance, however, CMPs are not covered by such insurance. All Volunteers who



become Directors or Committee Members should be cognizant that such service also carries the risk of personal liability for not satisfying the important responsibilities associated with these volunteer activities.

MINIMUM REQUIREMENTS:

Qualified individual must fully discharge the responsibilities of the position and be willing to contribute the time and personal commitment to prepare for and attend all meetings, participate in the discussion of issues, act in the best interests of the Members and the organization, promote the Credit Union and advance its objectives and make attendance at Supervisory Committee and Credit Union-related functions a priority.

- Must be a primary Member on the Membership and in good standing with the Credit Union.
- Must be at least 18 years of age
- Must be bondable by the Credit Union's fidelity bond company
- Must authorize and pass the background verification process (may include criminal, employment, education and credit)
- Ability to read and understand financial statements*
- Understanding of auditing procedures
- Ability to understand and evaluate procedures
- Ability to think and plan strategically
- Ability to work and communicate effectively as part of a team
- Ability to understand and evaluate information regarding technology systems and security-related issues

ADDITIONAL DESIRED ATTRIBUTES AND ABILITIES:

- Prior Credit union experience in a Volunteer capacity
- Experience in bookkeeping, accounting, or auditing
- Understanding of and commitment to credit union philosophy
- Be able to attend meetings scheduled during the day in-person or virtual
- Has not been employed by the Credit Union within the past three years

*Newly appointed or elected Committee Members must possess an understanding of basic finance and accounting principles, including the ability to read and understand the Credit Union's balance sheet and income statement in order to meaningfully participate in discussions regarding finance issues. If a new Committee Member does not possess this understanding, they agree to obtain such financial literacy within six months of being appointed or elected through available credit union education material.