



Dear Member:

Thank you for your interest in serving on the Board of Directors of Area Federal Credit Union (Area FCU).

Board members spend a considerable amount of personal time fulfilling their Board responsibilities, preparing for meetings, and attending in-state and out-of-state meetings. Current Board members spend an average of 10 to 25 hours or more per month meeting their responsibilities. It is important that you understand this is strictly a volunteer position and there is no monetary compensation for services rendered.

Regular monthly meetings are normally held on the fourth Wednesday of each month and commence promptly at 5:30 p.m. with dinner prior to the meeting (not mandatory) at 5:15 p.m. Board members are expected to be on time and actively engage in meetings.

Per the National Credit Union Administration (NCUA), the general duties of each credit union director are:

- The board of directors is responsible for the general direction and control of the credit union.
- A director 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 ordinary prudent person in a like position would use under similar circumstances.
- A director must administer the affairs of the credit union fairly and impartially and without discrimination in favor of or against any particular member.
- A director must have at least a working familiarity with basic finance and accounting practices, including the ability to read and understand the credit union's balance sheet and income statement and the ability to ask, as appropriate, substantive questions of management and auditors.
- A director must direct the operations of Area FCU in conformity with the Federal Credit Union Act, NCUA's Rules and Regulations, other applicable laws, and sound business practices.
- A director may rely on information prepared or presented by employees or consultants the director reasonably believes to be reliable and competent and who merit confidence in the particular functions performed.

See enclosed the Board of Directors Nomination Eligibility Criteria & Election Activity Parameters; Terms of Agreement for Board of Directors; Volunteer Code of Ethics and Conduct Statement; Volunteer Conflict of Interest Statement; Volunteer Fraud Policy Statement; and Document Retention Policy Statement. We encourage you to thoroughly read all items to gain a better understanding of the position.

2021 Nomination Packet

If you are nominated and elected to the Board, please know that any loan request from a director will require approval from the Board of Directors.

If, after reviewing the enclosed information, you are interested in being a candidate, please complete the Candidate Statement, sign all documents and return the completed 2021 Nomination Packet to David Bunsness. The Candidate Statement will be used by the Nomination Committee to determine eligibility, and may be posted publicly for view by the membership. The completed Nomination Packet must be received by David Bunsness at the address below by 5:00 p.m. on December 9, 2021. Any incomplete Nomination Packet may be disqualified.

The Nominating Committee may contact you for an interview if you are selected as one of the finalists for further consideration. Candidates not selected will be notified. Election will be held with in-person voting from 9:00am - 5:00pm on December 17, 2021 at the Area FCU lobby. Election results will be announced at Area FCU on December 17, 2021, at approximately 6:00 p.m.

Thank you for your interest in serving as a volunteer in your Credit Union.

Sincerely,

David Bunsness
Area Federal Credit Union
Chair, Nominating Committee
1805 S. Lincoln St.
Aberdeen, SD 57401



Board of Directors Nomination Candidate Statement

Name: _____

Address: _____

Phone Number: _____

In 200 words or less, please state your qualifications and other reasons for candidacy:
Please include education, career, interests, skills, knowledge and strengths.
This statement may be published and shared with Area FCU membership.

Please provide any additional information, not included above, that you wish to provide to the Nominating Committee, but do not want as a part of your public Candidate Statement:

(Use additional pages if needed.)



Board of Directors Nomination Eligibility Criteria & Election Activity Parameters

ELIGIBILITY CRITERIA

The following criteria shall be considered by the Nominating Committee as a basis to determine the eligibility of members for nomination to a position on the Board of Directors. An applicant may be eligible if he or she:

- A. Has not been convicted of any felony criminal offense involving dishonesty or a breach of trust or pleaded to a lesser offense or pleaded nolo contendere to said offense.
- B. Has not been denied a bond nor had their bondability revoked.
- C. Will be able to act independently and objectively regardless of external relationships with other directors, committee members, and employees:
 - 1. Is not a member of the immediate family of any director, committee member, or employee. Immediate family shall mean spouse; son or daughter; stepchildren; grandchildren; son-in-law or daughter-in-law; parents; stepparents; grandparents; grandparents-in-law; father-in-law or mother-in-law; brother or sister; sister-in-law or brother-in-law; and stepbrother or stepsister.
 - 2. Is not an employer, employee, supervisor, or subordinate of any employee or of any director or committee member now seated.
- D. Is not an employee of Area FCU or an owner, employee, or official at any financial institution (which includes all financial businesses such as banks, brokerages, or mutual fund companies) or their trade associations, advisory councils/boards, committees, commissions, or any other such group. Eligibility for individuals serving on any credit union or their trade association board or committee will be determined on a case-by-case basis.
- E. Has not caused this or other Credit Union a loss.
- F. Has a credit standing good enough to qualify for the Credit Union's line-of-credit loan.
- G. Has no adverse history of share draft overdrafts.

**Board of Directors Nomination Eligibility Criteria
& Election Activity Parameters
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- H. Has been a primary member (listed first on their Area FCU member account) for at least two years or a joint owner actively using a primary member's Area FCU account for at least two years. In order for a joint owner to be considered for nomination, he/she must become a primary member prior to submitting their nomination application.
- I. Possesses areas of knowledge, experience, or interest pertinent to this Credit Union's future.
- J. Has read the Credit Union's policies, procedures, and statements regarding elected or appointed position and is willing to accept the responsibilities of an elected or appointed office.
- K. Has not been an employee of this Credit Union for at least 36 months prior to election.
- L. The minimum age for a member to hold an elective or appointive office on the Board of Directors or Supervisory Committee is 18.
- M. Receives satisfactory findings on a credit report, criminal background check, and bondability report.

ELECTION ACTIVITY PARAMETERS

Members who are campaigning for any office may do so at no expense to the Credit Union and may not:

1. Campaign, solicit petition signatures, or display materials in or on any Credit Union office or property.
2. No use of the Credit Union logo in individual candidate items.
3. No individual handout items.
4. No use of banners at the event center.

I have received and read the Board of Directors Nomination Eligibility Criteria & Election Activity Parameters.

Signature

Date



Terms of Agreement for Board of Directors

I, the undersigned, fully understand and do hereby agree that to serve on the Board of Directors of the Area Federal Credit Union, I will conform to and abide by the following:

1. Attend all regular and special meetings of the Board when notified, unless prevented by circumstances beyond my control.
2. Prepare thoroughly for all Board meetings by reading and studying materials sent to me.
3. Attend the Credit Union planning sessions (normally held at least once every eighteen months), which may require my participation Friday afternoon, or Friday evening, and/or all day Saturday.
4. Continually seek to learn more about the Credit Union organization and its services and about my individual responsibilities as a board member by fulfilling the educational requirements established by the Board.
5. Consider the business of the Credit Union and its members to be confidential in nature.
6. Comply with all provisions of the Volunteer Code of Ethics and Conduct Statement and policy. If I am involved in any matter, I shall disclose such actual or potential conflict immediately to the Chair of the Board of Directors.
7. Should I ever receive or be offered something of value beyond what is authorized by the Credit Union's Federal Bank Bribery Policy, I shall disclose this fact in writing to the Board of Directors.
8. Anytime I have an actual or potential conflict of interest or I am involved in any Credit Union matter and have a personal or business interest in such matter or should I ever find myself under obligation to any other person, group, or organization that is in conflict with the Credit Union or if I am involved in any other matter which is in conflict with the Credit Union's Volunteer Conflict of Interest Statement and Policy, I shall disclose such actual or potential conflict immediately to the Chair of the Board of Directors. I will refrain from participating or voting on issues related to the actual or potential conflict.
9. Comply with all provisions of the Volunteer Fraud Policy Statement and policy in that if I become aware of any fraudulent or dishonest action on the part of any other employee, director, or volunteer, I must report that fraud or dishonesty immediately to the President / CEO of the Credit Union and to the Chair of the Board of Directors.

Terms of Agreement for Board of Directors
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10. To the best of my ability, fulfill the duties and responsibilities of a director and participate in determination of policy and other matters coming before the Board, give full attention to problems of the Credit Union, and vote on all issues submitted or proposed for Board action.

11. Give all assistance possible to my fellow Board members and appointed officers in the discharge of the duties of their offices.

I have received and read the Terms of Agreement for Board of Directors.

Signature

Date



Volunteer Code of Ethics and Conduct Statement

This Credit Union will conduct its relationships and operations in accordance with this purpose and uphold its fundamental commitment to serving its members. This Credit Union is committed to the highest standards of responsibility and conduct and subscribes to the following guidelines:

RESPONSIBILITIES – To Members

- To provide the highest level of personal financial services in a courteous and professional manner and to treat all individuals fairly without regard to race, creed, national origin, sex, religion or social or economic level.
- To encourage thrift and savings to help members achieve a greater measure of financial security.
- To provide loan services at fair and reasonable rates, and to encourage the wise use of credit.
- To protect the assets and member funds placed in our care and custody, and practice and maintain high standards of sound management, including efficiency, integrity, and economy of operations.
- To adhere to democratic and cooperative principles within the Credit Union and encourage and facilitate active member participation in its democratic process.
- To provide members with timely, accurate, complete, relevant, and understandable information regarding the financial conditions, operations, and services of the Credit Union and of their individual accounts or transactions.
- To preserve and protect the privacy and confidentiality of all member financial records and transactions. The collection of nonpublic personal information and the disclosure of that information will be in compliance with NCUA Rules and Regulations Part 716.
- To abide by the letter, spirit, and intent of state and federal consumer protection laws and regulations and to provide members with complete and accurate information concerning their rights.
- To increase knowledge and ability of members to manage and control their financial well-being through counseling and by providing educational information, materials, and programs.



RESPONSIBILITIES – To Credit Union Movement

- To promote and protect always the best interests and reputation of the Credit Union movement and avoid and resist influences and practices that are detrimental to it.
- To associate and cooperate with other credit union organizations in building a strong democratic movement for more effective service to members.

RESPONSIBILITIES – To Society

- To participate in community affairs as a responsible member of the society in which the Credit Union is a part.
- To support and participate in programs that favorably affect the society, citizens, and communities served by the Credit Union and, to the fullest extent possible, seek solutions to its social problems and concerns.
- To make Credit Union membership available to as many people as possible.

Standards of Leadership for Volunteers

- To observe the highest standards of personal conduct at all times. Act with honesty and integrity, and consistently hold the interests of Area Federal Credit Union and all of its members above personal interest.
- To strictly uphold and comply with all applicable laws, by-laws, rules, policies, contracts, and regulations relating to the operation of Area Federal Credit Union.
- To refrain from using the Credit Union position for improper personal or financial advantage or special privilege, and avoid all conflicts of interest and situations which could result in, or give the appearance of, a conflict of interest concerning Area Federal Credit Union. Personal interests that could affect the proper exercise of professional judgment must be avoided at all cost. In situations where personal interests do exist, or may appear to exist, the person should disqualify himself or herself from any involvement in the transaction or activity, including abstaining from all discussion and voting on the matter.
- To act in good faith, act responsibly with due care, competence, and diligence without misrepresenting material facts or allowing one's independent judgment to be undermined. No person may take unfair advantage of another through manipulation, collusion, concealment, misrepresentation of material facts or any other unfair business practice.



- To conduct Credit Union business and treat colleagues and employees with integrity, fairness, respect, and confidentiality. Behave in a manner that reflects positively upon the Credit Union and maintain trust and confidence in the integrity of the Credit Union's activities. Refrain from using profane, offensive, or disrespectful language during any function or activity when representing the Credit Union or conducting the Credit Union's business.
- To adhere to open, democratic procedures in the election of officials and in their formulation of credit union policies and practices.

I have received and read the Volunteer Code of Ethics and Conduct Statement.

Signature

Date



Volunteer Conflict of Interest Statement

Item #1

No Credit Union official, which term includes any employee, officer, director, committee member, or agent, shall engage in self-dealing or otherwise trade upon their position with the Credit Union or accept from one doing or seeking to do business with the Credit Union a business opportunity not available to other persons or made available because of such Credit Union official's position with the Credit Union.

A volunteer shall not accept any form of compensation, except reimbursement of authorized expenses, for providing a service or otherwise doing work for the Credit Union unless approved in advance by all members of the Board of Directors.

Anytime any Credit Union official has an actual or potential conflict of interest or is involved in any Credit Union matter and has a personal or business interest in such matter, such actual or potential conflict must be immediately disclosed as follows:

- All Credit Union employees to the President /CEO,
- the President / CEO to the Chair of the Board of Directors,
- and all other officials shall report to the Chair of the Board of Directors.

Any Credit Union official who has an actual or potential conflict of interest shall abstain from any action in their official capacity regarding the area of conflict until approval is given by the President / CEO or Chair of the Board of Directors, respectively.

Item #2

When matters pertaining to the specific personal or business interest of a board member are discussed, the affected board member or members shall not engage in the discussion, shall not be present during the discussion, nor shall he/she participate in the vote, and the minutes shall so state. If more than one board member is involved in matters involving a conflict of interest and a vote is called, the number voting must exceed the quorum requirements for the meeting or unanimous action is required of the voting board members.

Item #3

Examples of conflict of interest include but are not limited to any matter in which an official has a personal or business interest in any item of Credit Union business, or any conduct of self-dealing or otherwise trading on one's position with the Credit Union or accepting from one doing or seeking to do business with the Credit Union a

Volunteer Conflict of Interest Statement
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business opportunity not available to other persons or made available because of such official's position with the Credit Union, such actions would further include and are not limited to:

- The reduction of interest on an obligation of a relative.
- Purchasing land by the Credit Union where the land is owned by a director, a Vice President, or the President / CEO.
- Purchasing a repossessed vehicle or foreclosed property from the Credit Union.
- Selling casualty insurance through the Credit Union and through an agency where a director, a Vice President, or the President / CEO is an agent.
- Any Credit Union employee, director, officer, or spouse who is associated as a director, officer or employee with, or holds a material ownership interest in another financial institution, trade association or related business shall be immediately disclosed. Any apparent conflict of interest disclosed by the statement will be resolved by the President / CEO or the Chair of the Board of Directors and the individual.

I have received and read the Volunteer Conflict of Interest Statement.

Signature

Date



Volunteer Fraud Policy Statement

Any volunteer who becomes aware of any fraudulent or dishonest action on the part of any other employee or volunteer, or who has knowledge of the same, must report that fraud or dishonesty immediately to the President / CEO of the Credit Union, or to the Chair of the Board of Directors, or to the Chair of the Supervisory Committee.

If the President / CEO is notified, he/she shall notify both Chairs and if one of the Chairs is notified, he/she shall immediately notify the President / CEO of the Credit Union and then the President / CEO shall immediately notify the other Chair.

The failure to report knowledge of any fraudulent or dishonest act can result in the loss of insurance coverage for the volunteer and may result in personal liability. Any volunteer that fails to report knowledge of and/or has engaged in any fraudulent or dishonest conduct shall be subject to immediate suspension and such other further action, as the Board of Directors deems necessary and appropriate based on the nature of the offense, the dollar amount involved and the insurance coverage requirements, and state, federal law, and any other consideration the Board of Directors determines to be appropriate.

I have received and read the Volunteer Fraud Policy Statement.

Signature

Date



Document Retention Policy Statement

All materials submitted to individual members of the Board of Directors and Supervisory Committee, including electronic and paper documents and correspondence, shall be retained by each member until the matters contained therein are reviewed and the utilization of those materials has been completed. The Credit Union shall retain ownership of all rights to all materials submitted, delivered, or communicated to the members, except materials which are readily available to the general public. The members of the Board and Supervisory Committee agree to return or destroy any and all materials submitted to or among them, including all originals, copies, translations, notes, or any other form of said materials, without retaining any copy or duplicate thereof, after review and utilization of the materials is complete, upon removal from or leaving the Board or Supervisory Committee, or at the request of the Credit Union.

A master file of all materials submitted to the Board of Directors shall be maintained at the Credit Union, which file is open to inspection at any time by any member of the Board of Directors. Likewise, a master file of all materials submitted to the Supervisory Committee shall be maintained at the Credit Union, which file is open to inspection at any time by any member of the Supervisory Committee.

I have received and read the Document Retention Policy Statement.

Signature

Date