



# BOARD OF DIRECTOR VOLUNTEER APPLICATION PACKAGE

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This document provides general information about the Lone Star Credit Union (LSCU) Board of Directors, their duties and expectations, and the application process to become a volunteer.

LSCU is led by a volunteer Board of Directors. Our diverse group of directors generously give their time and talent, uphold our good-business philosophy, and help guide LSCU towards success. As Member-owners, the Board of Directors are elected by their peers.

LSCU is always on the search for candidates to lead our credit union and share their experience, skills, and perspectives. Members who wish to play a key role in the long-term success of LSCU are encouraged to apply for a volunteer position on the Board of Directors.

Ideal candidates are:

- Members, age 18 or older.
- In good financial standing meaning a Member who has never caused the credit union a loss, nor abused any services of the credit union and has a good credit history.
- Have no criminal convictions.
- Willing to voluntarily serve a minimum three-year term.

Requirements include:

- Attending monthly meetings each month and occasional special meetings or training sessions.
- Becoming informed on LSCU history, bylaws, policies, financials statements, operating strategies, etc.
- Acting as an LSCU ambassador.

The current structure of the Board includes seven Board of Directors and a maximum of six Advisory Directors. These positions are defined as:

**Board of Director**

Elected position with voting rights.

**Advisory Director**

Appointed by the Board of Directors. Attends board meetings, participates in conversations, and shares knowledge, but does not have voting rights. Typically, when a director vacancy occurs, an Advisory Director is appointed to fill the vacated Director seat until the next Annual Meeting.

To apply, please read this application package thoroughly and submit the online Volunteer Application located on the [Our Leadership](#) LSCU website page. Once received, you will be contacted by Marcy Phillips, President/CEO.

The board of directors are tasked with the governance and management of LSCU carrying out duties in good faith, to serve the best interests of the Members.

### **Duties & Responsibilities:**

The board of directors will perform the following duties and all other duties listed in the bylaws, duties required by the State of Texas, and in the Commission rules.

- Soundly handle the operations of the credit union and ensure that vision and objectives reflect LSCU's philosophy and address Members' needs.
- Administer the affairs of the credit union fairly and impartially and without discrimination.
- Review and approve the annual strategic plan and budget and monitor their implementation and progress.
- Implement, approve, and review policy.
- Authorize the borrowing or lending of money, investments, charge-offs, fees, and rates, and monitor financial performance.
- Ensure there is a proper program in place to adequately protect Member funds and LSCU's assets.
- Hire, monitor, and evaluate the President/Chief Executive Officer (CEO).
- Participate in committees as appointed by the Chairman of the Board.
- Direct the operations in conformity with the Federal Credit Union Act, NCUA's Rules and Regulations, other applicable laws, and sound business practices.

### **Basic Financial Skills Required**

The board of directors is charged with the general direction and control of the institution. Credit unions, however, are not like many other commercial entities in that they do not produce observable physical goods or services. Instead, credit unions receive deposits from the membership and, in turn, lend or invest these funds. The key measure of the credit union's success or failure is its financial statements. As such, a director must understand these financial statements to participate in a meaningful manner in the direction and control of the institution.

Accordingly, to be an effective director, an individual must have a certain base level of financial skills, consistent with the size and complexity of the credit union operation they serve. At a minimum, directors must have the ability to read and understand the credit union's balance sheet and income statement. If directors do not have the requisite skills when elected or appointed, they must obtain these skills in a timely manner.

### **What a Director Should Know**

At a minimum, a director should be able to examine the credit union's balance sheet, income statement and be able to answer the following questions:

- What does this line item mean? Why is it important to the credit union?
- Is the value of the line item changing over time? If so, what does that change (either positive or negative) mean?
- Is the change important to the credit union?

A director must understand the specific activities in which his or her credit union engages. A director must understand not only how these activities generate revenue for the credit union

but also, and perhaps most importantly, the various risks associated with these activities that could lead to financial loss.

To do their job in a meaningful manner, it is essential that directors understand the risks found in depository institutions -- that is, credit, liquidity, interest rate, compliance, strategic, transaction, and reputation risk. Moreover, directors must understand the internal control structures at the credit union that limit and control these risks.

### **Educational Requirement for New Directors**

- All newly elected Directors are required to attend a New Director Orientation within the first month of being appointed/elected. Orientation will include:
  - Meet & Greet with the LSCU Executive Team
  - Orientation with LSCU's Learning & Development Advisor to learn about our history and culture (approximately 4 hours)
  - Financial review with the CFO
- Read the LSCU Bylaws
- Read the Texas State-Chartered Credit Union Director's Guide
- Read The State of Texas Rules for Credit Unions adopted by the Credit Union Commission

### **Volunteer Expectations**

1. Attend all regular and special meetings of the Board, unless prevented by circumstances outside your control.
2. Come prepared to discuss the issues and business to be addressed, having read the agenda and provided material. Participate to the best of my ability in determination of policy and other matters coming before the board and vote on all issues or proposals for Board action.
3. Consider the business of the credit union and its Members to be confidential in nature.
4. Provide assistance to Board members, appointed officers, and employees of the credit union in the discharge of the duties of their offices.
5. Should a director ever find themselves under obligation to any other group or organization that conflicts with the credit union, the director will disclose the conflict to the Chairman of the Board.
6. Continually seek to learn more about the credit union and its services and about individual responsibilities as a volunteer by attending a minimum of 8 hours of training per year.
7. Complete Bank Secrecy Act (BSA) training, coordinated by the Chief Administration Officer, annually on a calendar year basis.
8. Attend one industry conference during each three-year term.

## Board Meeting Information

- Board meetings are normally held the third Thursday of each month.
- Any director who fails to attend three (3) consecutive regularly scheduled meetings without an excuse approved by a majority vote of the board, or who fails to attend six (6) regularly scheduled meetings during any twelve-month period following the director's election or appointment is automatically removed from office. (*State of Texas Rules for Credit Union; Rule 91.501, g*)
- Meetings in March, June, September, and December are held in person at the Dallas office. Lunch is served at 11:00 am and the meeting begins at noon.
- Board meetings during the other months are held via Zoom and begin promptly at noon.
  - Virtual meeting expectations include:
    - Be on time.
      - Arrive at least 5 minutes prior to the meeting start time to ensure camera and audio are working properly.
    - Be on camera.
      - Avoid a high-traffic area or a window with natural light as a background.
    - Be engaged.
      - Avoid multi-tasking to provide full attention to the topic being discussed.
    - Be considerate.
      - Mute yourself when not speaking to avoid unexpected background noise.
- The Annual Meeting is held annually each March with a Board Re-Organization Meeting immediately following.