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AN E-PUBLICATION FROM THE CHAIRMEN'S GROUP

March/April 2015 Issue

## Effective Leadership by Your Board

by Tim Harrington, CPA

How well does your board “lead” your credit union? Leadership by the board is very different from leadership by management. As a matter of fact, leadership by the board requires a different skill set than leadership by management.

Boards govern. What does that mean? It means they don’t “operate.” I know that doesn’t answer the question, but it is an important point. The area of “Operations,” led by the CEO, is day-to-day activities requiring active and present oversight.

Governing is by a team (the board), who should be:

- A) Setting the direction for an organization;
- B) Creating boundaries for the management team to abide by; and
- C) Establishing an environment of accountability.

Governance is not a day-to-day activity. It is a periodic, “hands-off” activity done best from a distance with good information systems. Board leadership works best like this:

The team (board) –

- Ensures the organization has a clear purpose;
- Clarifies the corporate values that everyone must follow;
- Agrees on a vision of success;
- Ensures there is a strategic plan to achieve the purpose and vision;
- Monitors the plan periodically; and
- Employs a competent CEO to carry out the plan.

That’s it!

It seems so simple when thinking about it. So does retiling your shower. It is not always so simple to carry out. That is why leadership within the board is very important. And the chair is key in ensuring disciplined board leadership. Among the chair’s roles are keeping the directors focused on the big picture and out of the operational “weeds.” Board discipline starts with the chair: at the monthly board meeting and in staying focused on governing overall. Yet, other directors must be actively involved in maintaining discipline. It is not solely the chair’s job; it is a shared responsibility.

One rarely heard but essential governance duty of the board is to protect the CEO from individual directors. This means that board chairs must work hard at maintaining the discipline of the board. This also means that board meetings should be focused on the big things, that passing authority to the CEO must be done by the “board-as-a-whole” and not any individual director, and that any individual director who attempts to give instruction to the CEO should be held accountable for overstepping the director’s governance role.

Leadership by the board is simple, but not easy. Done wrong it can lead to unwanted dysfunction. Done right it can lead to smooth sailing toward reaching your purpose and vision.



**Tim Harrington, CPA, 2015 Leadership Seminar Instructor**

Author, consultant and speaker Tim Harrington has worked with credit unions in 48 states, two territories, Canada and Mexico. His progressive ideas and broad knowledge of credit union issues has made Tim a valuable resource for credit unions nationwide. Tim has spoken to tens of thousands of credit union volunteers and staff and continues to inspire them to improve their credit unions.

Space is limited at this highly-interactive meeting. Register today and reserve your seat to participate with volunteer leaders from across the country. To learn more and register, go to [www.nacuc.org](http://www.nacuc.org).

Register Now ▶

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## Seminar Scholarship Available to Limited Means Credit Union



### **NORMA BENSON MEMORIAL SCHOLARSHIP PROGRAM**

Volunteer board members from credit unions with assets less than \$50 million are being invited to apply for a scholarship to attend the 2015 Leadership Development Seminar this June in Santa Fe, New Mexico. Recognizing the limited opportunities for small credit unions to receive high-level leadership training, NACUC started the Norma Benson Memorial Scholarship fund. Scholarship information including qualifications and an application are available online on the Leadership Development Seminar page at [www.nacuc.org](http://www.nacuc.org). The deadline to apply for the scholarship has been extended to Thursday, April 30, 2015.

**Criteria for Eligibility**

Current Board Director in good standing at the time of application  
Credit union with less than \$50 million in assets

**Scholarships Include:**

Seminar Registration - all sessions, meals and breaks included with the program  
Two nights lodging at the Seminar host hotel

Learn More ▶

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Last weekend, the NACUC Board held its spring planning meeting in my hometown of San Antonio where NACUC's Chairmen's Roundtable Forum is being held this October. One of the items we worked on was developing discussion topics for the meeting. As a board we strive to be responsive to our membership. One of the ways we do this is by using participants' feedback from the Roundtable Forum evaluations and bonus session to put together our upcoming program. We received many topic ideas with important and timely subject matter. I'm looking forward to sharing our 2015 Chairmen's Roundtable topic selections in our next newsletter and discussing them, with my fellow board chairpersons in October.

*Rose M Rangel*

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## Connecting & Networking Through the Chairmen's Circle



This past fall, NACUC launched the [Chairmen's Circle](#) in an effort to enhance networking, knowledge exchange, and communication among members as well as recruit new members. As with most endeavors, what a member gets out of NACUC is directly related to the level of engagement in the services of the organization. The Chairmen's Circle is an excellent means of increasing your engagement with fellow credit union board leaders.

NACUC offers a number of avenues to increase your engagement with fellow credit union volunteer leaders: the annual Roundtable Forum and Leadership Development Seminar, the Exchange newsletter, informative briefings and position papers via the NACUC website, the annual CEO Compensation & Benefits Report, and of course being an active member of the Chairmen's Circle. The NACUC website contains a form for outreach to prospective board leaders, inviting them to be a part of NACUC. There is also an app you can install on your smartphone to transmit important information for prospective members showing an interest in joining NACUC. As our membership increases, so too does the diversity of thought, perspective, and expertise that can be shared throughout the entire organization, enriching the credit union movement throughout the country. Benefits of being a part of NACUC also include discounts to annual conferences.

You do not have to be a board chair to enjoy the benefits of NACUC. All Board members of a member credit union can enjoy the benefits of membership, and member credit unions can register two board members for each conference. So, become a part of the Chairmen's Circle and take an active role inviting other board leaders to join the National Association of Credit Union Chairmen, creating legacy members and making us a better and stronger organization, benefiting the entire movement.

[Learn more about the Chairmen's Circle](#)

[Chairmen's Circle Referral Application](#)

All the best,  
Dan Strandy  
NACUC Board Treasurer &  
Board Chair, Verity Credit Union, Seattle, WA

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## Helpful Website Tip #2: Want to Make Sure You Receive Our Printed Meeting Brochure?



### National Association of Credit Union Chairmen

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Want to make sure you receive a printed meeting brochure for our annual conference in San Antonio? Use the email address where you received this newsletter, and login to your profile on our website and update your mailing address. We will use this address when mailing our printed meeting brochures. This address will only be used for NACUC specific information and will not be sold or used for any other purposes.

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## Call for Nominations

There will be two board seats open for election at the Annual Business Meeting taking place during the Chairmen's Roundtable Forum on October 23 in San Antonio. Incumbent Rose Rangel (generations Federal Credit Union, TX) has indicated her willingness to run for a another term. Second Vice Chairman Fred Heimann (Connex Credit Union, CT) will not be running for another term.

To qualify as a nominee, your credit union must be a member in good standing with NACUC and you must serve as chairman of your credit union's board. It is helpful to have attended at least one recent Chairmen's Roundtable Forum. The NACUC Board holds two in-person meetings each year and several board meetings via conference calls. Potential candidates should be willing to participate in helping to develop NACUC's educational programs and provide support for membership retention and recruitment, as well as serve on various committees as directed by the Chairman. Nominations must be received no later than Friday, July 31, 2015 to be considered.

For more detail about what is involved in serving on the Board and to submit a nomination, please contact one of the Nominating Committee members listed below:

#### 2015 Nominating Committee

**Joe Budnick, Nominating Committee Chairman**  
SharePoint Credit Union (MN)  
Email: [jbudnick@jerichousa.com](mailto:jbudnick@jerichousa.com)

**Pat Tollefson, Nominating Committee Member**

Aberdeen Federal Credit Union (SD)  
Email: [ptollefson@yahoo.com](mailto:ptollefson@yahoo.com)

**Pete Weldon, Nominating Committee Member**  
1st Community Federal Credit Union (TX)  
Email: [ehweldon@suddenlink.net](mailto:ehweldon@suddenlink.net)

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## NACUC's CEO Compensation & Benefits Survey Underway



All member Chairmen of the Board received an invitation last week to participate in the NACUC 2015 CEO Compensation & Benefits survey. One of a credit union board's most important tasks is setting competitive and equitable compensation for the CEO. For more than 20 years, NACUC has been providing in-depth information to assist boards with this process. NACUC's Annual Compensation & Benefits Report helps you to:

- **Make sound decisions on CEO compensation and benefits by giving your board the data they need**
- **Get current salary and bonus pay data analyzed by assets, loans, members, branches and other factors throughout the U.S.**
- **Track changes and trends from year-to-year for salary and bonus information**
- **Discover what special benefits are being offered to CEO's**

To participate in the 2015 CEO Compensation and Benefits Survey, please use the secure link below to submit your credit union's data by **Wednesday, May 20, 2015**. NACUC members who contribute data receive the full report for FREE--a \$199 value.

**Secure Survey Link:** <https://app.keysurvey.com/f/727716/171e/>

All data you submit is protected by encryption. Depending on your browser type, you may receive a pop-up message asking you to allow viewing of the survey pages. All of the information you provide will be kept strictly confidential, and survey results will only be presented in aggregate form to preserve the anonymity of respondents.

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### NACUC 2015 Calendar

2015 Leadership  
Development Seminar

39th Annual Chairmen's  
Roundtable Forum



June 28 - 30, 2015  
The Hilton Santa Fe  
Santa Fe, New Mexico



October 21-24, 2015  
Hyatt Regency San Antonio  
San Antonio, Texas

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