

WINTER 2018

## Preview: Portland Leadership Development Seminar

Imagine you have two days to sit with other board leaders--and future board leaders--to discuss strategies and solutions to help you board perform at its peak. That is what you'll find at this year's Leadership Development Seminar being held at the Kimpton Hotel Monaco in Portland, Oregon. From June 24 - 26, board volunteers will delve into essential board leadership topics including:



(click on the image above to view the video)

### The Art of Governing

- Distinguishing governance from operations and how to keep the two separate
- Understanding the chair's role in leading an effective Chief Governing Body
- Creating an environment where directors, and the board as a whole can improve
- Establishing an effective process to keep the board replenished with quality directors

### Determining a Shared Direction for the Credit Union

- Understanding the board's role in creation of strategy, or the 'Big Picture'
- Communicating the credit union's Purpose and Values
- Developing a system to determine the 'Ends' the credit union should accomplish

## 2018 MEETING CALENDAR



June 24 - 26, 2018

**NACUC's 2018 Leadership Development Seminar**  
The Kimpton Monaco Portland  
Portland, Oregon



October 10 - 13, 2018

**NACUC's 42nd Annual Chairmen's Roundtable Forum**  
The Brown Hotel  
Louisville, Kentucky

- Working with the CEO to navigate the waters toward the vision

### Passing the Torch

- Building a healthy CEO/Chair relationship
- Developing appropriate planning measurements and establishing real accountability
- Monitoring the achievements of the CEO and the credit union

The seminar also includes financial literacy training--a basic skill that volunteer directors must have to be good stewards of the credit union.

[Learn More ▶](#)

Don't miss out. Register today to join other board leaders, and aspiring leaders, in Portland this June.

[Register Now ▶](#)

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## Platinum Sponsor Spotlight



### Seven Steps to Documenting your Execs' Supplemental Retirement Plans

By John Pesh

If you've decided as a board to use a supplemental executive retirement plan (SERP) for your top executives, keep future boards in mind: the people who may have to oversee the plan when it finally comes off the credit union's books.

Credit unions use non-qualified deferred compensation plans such as 457(b) and 457(f), as well as split-dollar life insurance, to boost executives' retirement income, to create incentives for top-performing executives to stay with the credit union longer, and even to recruit top talent. But the products, legal agreements, and accounting involved in these SERPs are complex.

Here are some tips for documenting the process of implementing SERPs, so future board members and executive teams will be better able to handle audits and examinations, and also to manage the proper final disposition of these plans:

1. **State clearly WHY your credit union is offering the plan.**

Is the plan part of an employment agreement you're negotiating with an applicant for a top executive position? Are you offering an incentive to an executive you're grooming for COO or CEO to stay? Are you rewarding a long-tenured executive nearing retirement?

2. **Show why you chose this plan over others.**  
Use a side-by-side comparison of multiple benefit structures you've considered, and explain the advantages of the plan you chose. Compare the funding commitment, accounting impact, opportunity cost, and return of funds to the CU, among other factors. This can help you craft plans for other executives more efficiently.
3. **Document how the benefit target was derived.**  
Be able to say yes to this question: Could a neutral third party—who is not an executive benefits expert—use your documentation to calculate a similar benefit target?
4. **Assess your CU's risk from this plan.**  
What could possibly go wrong? How could you adapt to overcome difficulties that arise? Follow the NCUA's due diligence guidelines for risk assessment.
5. **Determine how much ongoing maintenance the plan requires.**  
Future boards and executive teams will need to know the CU's and executives' annual obligations under the plan for as long as it may be active.
6. **Define a wind-down process for the plan.**  
Your CU should have a set procedure for ending any plan, agreed to by the executive. Again, make sure to document the risks to the CU of ending a plan, such as potential payout amounts under varying rate environments.
7. **Establish ongoing oversight policies and procedures.**  
The board should review all active SERPs at least annually, with the help of SERP product providers and perhaps any outside portfolio managers, accountants, and attorneys involved in the plans. The underlying investment performance should also be assessed, and adjustments made if necessary.

By following these documentation and oversight steps, your board demonstrates that it is using members' capital as wisely as possible. You're also serving the next generation of board members by leaving them a clean balance sheet and a roadmap they can follow to set up future SERPs.

*Article submitted by John Pesh, Director – Executive Benefits, CUNA Mutual Group.*

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# CHAIRMAN'S COMMENTARY WITH MARTY GOLDMAN

While the Nominating Committee has not swung into action yet, I'd like to take a few moments of your time on the subject. Rose Rangel will complete her third and final term on the NACUC board this October—and a great nine years it has been! Thank you, Rose, for your service.

As such, we will be looking for Rose's replacement on the Board. If you are interested in running, here are some important things to consider: the Board meets physically as a group over a weekend in March, and also the Tuesday before the Roundtable Forum in October. NACUC does not cover travel for directors to attend the meetings. In addition, the board holds at least two meetings annually by conference call lasting approximately an hour and a half. Each year, one NACUC board member attends the Leadership Development Seminar. Their credit union is expected to cover the cost of registration. Of the four board positions, the Treasurer's duties are probably the most time-consuming.

We need people who are interested in growing the organization, so please start thinking about running and feel free to call me at (910) 389-3826 if you have any questions.

Here's to some great Spring weather—I know I'm ready for it! See you in October.

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## Have You Renewed Your Dues?

The primary/billing contact at each credit union received an email with renewal information and instructions earlier this month. Your credit union's dues can be paid online with a credit card or the invoice can be printed and returned with a check. If you did not receive the renewal, please email [nacuc@nacuc.org](mailto:nacuc@nacuc.org) to request the invoice.

As the ONLY organization in the credit union industry dedicated exclusively to educating, training and providing networking to chairmen, NACUC offers a wide array of resources and services designed to help you:

- **Engage in strategic networking with other board leaders at the Chairmen's Roundtable Forum** – Learn proven strategies from some of the most successful credit unions from around the country during focused, small group discussions. Join us for the 42nd Annual Chairmen's Roundtable Forum at the The Brown Hotel, October 10 - 13 in Louisville, KY.
- **Learn the skills you need to build a stronger, more effective board at the Leadership Development Seminar** – Participate in a highly-interactive blend of lecture, group exercises and discussions led by a top board governance expert. Next year's seminar will take place in Portland, Oregon at the Kimpton Hotel Monaco Portland,

June 24 – 26, 2018.

- **Access our vast knowledge resources** – As a member of NACUC, you'll have access to comprehensive data on CEO compensation and benefits to help recruit and retain top executive talent, as well as a wide array of strategies and performance data from credit unions nationwide.
- **Connect in between meetings and seek ideas and strategies for board-related issues and topics** - NACUC Chairmen's Listserve is a moderated list designed to provide an email forum for discussion with other credit union board leaders.

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# industrylinks

Follow the links below to get the latest news, trends and industry insights affecting your credit union:

## GOVERNANCE AND STRATEGIC PLANNING

[Good Governance: First 100 Days of 2018](#)

[Why is Your Board Diversity Initiative Failing?](#)

## ECONOMIC

[Optimize Your Growth In 2018 Focus Your Efforts Where You Can Get The Best Results](#)

[Take Your Direct Lending Game to the Next Level](#)

## REGULATORY

[Become a Compliance Machine Today](#)

[Compliance: Indirect lending under Military Lending Act](#)

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