



Tips for Board Minutes

Board minutes are the record of the Board's oversight of the credit union. Well prepared Board minutes include, at a minimum:

- Policy approvals and exceptions. Policy exceptions should be described in the minutes along with Board acknowledgement and corrective action.
- Board and senior management insider loans. The minutes should document the borrower, amount and purpose. MCA 32-3-608- *Loans to Officials* requires, "that any loan to one official that exceeds \$20,000 plus pledged shares is reported to the Board of Directors." Note if the director left the room during discussions regarding the loan.
- Accounting Bulleting 06-01- Interagency Policy Statement on the Allowance for Loan and Lease Losses directs the Board to do the following:
 - Review management's assessment and justification that the loan review system is sound and appropriate for the size and complexity of the institution.
 - Review management's assessment and justification for the amounts estimated and reported each period for the PLLL and the ALLL
 - Requiring management to periodically validate and, when appropriate, revise the ALLL methodology.

The approval of each item should be documented in the Board minutes. Any adjustments to the ALLL must be approved by the Board.

- 31 CFR Chapter 10 outlines the Board's responsibilities under the Bank Secrecy Act. The following items must be documented in the Board minutes:
 - Annual appointment of the BSA Compliance Officer
 - Annual approval of the BSA program (risk assessment, policy and procedures)
 - Acknowledgement of SAR filings.
- Review and acceptance of the quarterly IRR reports.
- Review and acceptance of all audit reports.
- Investment purchases, sales, calls.
- Dividend approval.

Note: This list is not all inclusive. Board minutes should document the actions and discussions of the Board.