



Board Director & Audit Committee Member

Role, Qualifications, & Position Requirements

The Role of the Board of Directors

The Board of Directors maintains the general direction and control of the credit union. This includes: guiding the organization to fulfill its purpose; setting policies which guide the affairs of the credit union; and ensuring that those policies are properly implemented by following the credit union charter, bylaws, all applicable federal and state laws, sound business practices, and the membership's desires.

The Board consists of seven (7) to twelve (12) members elected to serve one-, two-, or three-year terms. There are six (6) meetings a year, with at least one of these meetings held in each calendar quarter, and an annual strategic planning retreat scheduled in the fall. Additional special meetings are called throughout the year as needed. Officers include Chair, Vice-Chair, and Secretary/Treasurer.

As a member of the Board you may be asked to also serve on Board committees or elected to the Audit Committee. Committees provide input and help guide the policies of Sound Credit Union (SCU).

The Role of the Audit Committee

The primary functions of the Audit Committee are to: direct internal audit activities designed to determine whether corporate records are prepared accurately; verify whether internal controls, policies and procedures are maintained and followed; and monitor performance to ensure that elected officials are carrying out the duties for which they are responsible.

The Audit Committee consists of three (3) members elected to serve three-year terms. SCU's Audit Committee meets quarterly to review internal audit reports, regulatory examination reports and the annual financial audit results. They may perform or coordinate other internal auditing functions designed to monitor internal controls, policies and procedures, and activities of the Board of Directors.

Qualifications

1. Must be a member of Sound or another credit union in good standing and possess a credit rating devoid of unexplained bankruptcies or collections or excessive personal indebtedness.
2. Must be at least 21 years of age and have not been employed by the credit union or any subsidiary during the past two (2) years; nor be an employee, officer, or director of another financial institution.
3. Must be under the age of 70 prior to or within 6 months following the annual meeting (interested candidates or incumbents are eligible to seek nomination by petition).
4. Must have demonstrated leadership experience in business and/or as a community leader, as well as possess aptitude for financial information. An undergraduate degree from an accredited college or university is desirable.
5. Must be willing to commit sufficient time to discharge the duties of a director and stay current in the field through continuing education.
6. Must be of the highest moral and ethical character and exhibit independence and objectivity in representing the best interests of the membership.
7. Must be a good communicator and possess interpersonal skills that facilitate good working relationships with other Board members and executive management.
8. Knowledge of, or a willingness to learn about, financial and auditing principles.
9. A demonstrated desire to learn about the credit union, its services, the laws and regulations that govern it, and the job responsibilities of a committee member.
10. The ability to accept and manage criticism, confrontations, or ridicule for making necessary, but unpopular decisions.
11. The ability to keep an open mind, employ sound judgment, accept responsibility, and function effectively within a group.



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Position Requirements:

A director must demonstrate the ability to:

- Attend all scheduled meetings of the Board of Directors and/or Audit Committee and annual strategic planning session.
- Complete Board and/or Audit Committee Fundamental Education courses.
- Approve policies necessary for the operation of the credit union.
- Amend the credit union bylaws, subject to the supervising authority, as appropriate.
- Hire, set compensation, and evaluate performance of the CEO.
- Approves annual budget and strategic plan.
- Approve regulatory required credit union officers.
- Serve on Board committees as requested by the Chair.
- Reviews and approves the surety bond needs of the credit union at least annually and ensure that appropriate amounts of coverages are obtained.
- Maintain all business affairs and affairs of the members in a confidential manner and refrain from any relationship which would create conflict of interest with regard to the credit union.
- Fill vacancies on the Board.
- Act as a positive ambassador for the credit union, its services, and the importance of credit unions as a viable alternative to for-profit banks.
- Hold or cause to be held an annual meeting of the membership. Present a report of the Board of Directors' activities.

In addition to the above, a Board Member elected to the Audit Committee must also:

- Review and approve Annual Internal Audit Risk-Based Audit Plan.
- Work with Internal Audit to:
 - Verify that corporate and accounting records are prepared in an accurate and timely manner.
 - Confirm that appropriate internal controls are developed, implemented, and consistently followed in accordance with established credit union policies and procedures.
 - Determine compliance with applicable federal, state, and local laws and regulations as they apply to credit union operations.
 - Hire an auditing firm to assist the committee in carrying out its duties.
- Maintain confidentiality in dealing with member questions/concerns regarding credit union operations, reaching resolutions as appropriate.
- Receive and respond to whistleblower complaints.
- Submit reports on the committee's activities for the Board and membership, and act as the primary liaison with internal auditing staff hired to assist the committee.
- Submit reports of audit results to the Board of Directors and the membership and ensure appropriate and timely resolution of any exception noted in the report.
- Monitor the activities of the Board of Directors through attendance and/or regular review of meeting minutes.
- Suspend any director, if necessary, in accordance with applicable regulations and credit union policies.
- Call for special meetings of the membership as needed in accordance with applicable regulations.



Board Director & Audit Committee Member

Application

How to Apply

New applicants and incumbent Board members must complete and submit the following materials to the Nominating Committee.

New Applicants

- Application and Statement of Consent for desired position
 - Resume
 - Letter of Interest
- As part of your letter please answer the questions below.
- Describe your contributions as a Director/Audit Committee Member on Boards you have previously served.
 - If nominated, what would you hope to accomplish during your term?
 - What is your knowledge on credit union issues and the latest trends in financial services?
 - When serving on other Boards, what was your attendance record? Please explain.
- *Optional* – Three (3) personal references
- If employed, an employer reference is appreciated.

Incumbent Board Members

- Application and Statement of Consent for desired position
 - Resume
 - Supplemental Questionnaire
 - *Optional* – Three (3) personal references
- If employed, an employer reference is appreciated.

Completed materials can be returned by:

Mail: SCU Nominating Committee, PO Box 1595, Tacoma, WA 98401
Email: boardapplications@soundcu.com
Fax: 253.383.2079



Board Director & Audit Committee Member

Application

Application and Statement of Consent

Name: _____
Address: _____
City: _____ State: _____ Zip: _____
Phone: _____ Email: _____

I understand and agree that if elected, I will:

- Attend scheduled meetings and the annual strategic planning session as required of my position, unless prevented by circumstances beyond my control. If elected to the Audit Committee, I will attend Audit Committee meetings unless prevented by circumstances beyond my control.
- Maintain a Sound Credit Union account and keep it in good standing.
- Participate to the best of my ability in determination of policies, actions, and other matters brought before the Board and give full attention to issues and responsibilities of my position.
- Consider the business of the credit union and its members to be highly confidential in nature, and fulfill my obligations to the membership in a fiduciary manner.
- Assist my fellow Directors, management, and employees of Sound Credit Union in the discharge of their duties.
- Should I ever find myself under obligation to any other group or organization that is in conflict with the credit union, I will disclose the conflict to the Board of Directors and refrain from voting on related issues.
- Use available training opportunities to learn more about Sound Credit Union and increase my effectiveness.
- State that I am not related to any current Sound Credit Union staff member, and shall disclose any change in status in this regard to the Board of Directors.
- Further state I am not a direct report of, or a supervisor of, a member of the Sound Credit Union Board of Directors.

How did you hear about this opportunity?

- Current Sound Board Member Sound Website
 Sound Staff Member Other: _____

I authorize Sound Credit Union to solicit information regarding my credit and background. I understand that satisfactory credit history is a bona fide qualification. I hereby release all parties and persons connected with any such request for information from all claims, liabilities, and damages for any reason arising out of the furnishing of such information.

I certify that I am a Sound Credit Union member in good standing.

Signature: _____ Date: _____



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Application

Supplemental Questionnaire

(Incumbent Board Members Only.)

The information provided on this form will be used by the Nominating Committee in making their decision.

1. On a scale from 1 to 5 (five being the highest), rate your contribution as a Director/Audit Committee Member during your last term listing the contributions you have made (e.g., service on committees and what was accomplished, suggestions for service, what you have supported in serving our membership and the results, etc.)?

5

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3

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1

2. If you are nominated, what do you hope to accomplish during your next term as a Director/Audit Committee Member?

3. How have you remained current on credit union issues and the "latest" trends in services, etc.?

4. During your last term, how many Board, Special and/or Committee Meetings did you miss? Explain your answer, as appropriate.

5. Have you completed the Fundamental Education courses during the required timeframe? If not, are there extenuating circumstances that prevented timely completion?