



GUIDELINES FOR DIRECTORS AND COMMITTEE MEMBERS

BOARD OF DIRECTORS:

Given the importance of the Board of Directors in the governance of credit unions, Board members should have certain minimum qualifications for the role. Accordingly, a Board member must:-

- i) Be an individual no less than 18 years old;
- ii) Be of sound mind and not have been found by any court to be of unsound mind;
- iii) Be a member of the Credit Union;
- iv) Never have been convicted by a court for an offence involving violence, fraud, or any form of dishonesty;
- v) Never have been adjudicated bankrupt by a court in any jurisdiction;
- vi) Never have been a director, officer or manager of a credit union whose Operating Certificate was revoked during his tenure in office, unless the revocation was due to voluntary winding up or voluntary amalgamation with another credit union;
- vii) Have sufficient knowledge and understanding of the business and overall financial operations of a credit union;
- viii) Be a Team player;
- ix) Meet the fit and proper criteria.

Members of the Board and Statutory committees and officers must maintain the following **Fit and Proper criteria:**

- i) honesty, integrity, fairness and reputation;
- ii) competence, diligence, capability, soundness of judgment;
- iii) financial soundness, that is, the member should demonstrate prudence in the management of his own financial affairs;
- iv) with regard to the previous conduct, business activities and financial matters of the person, there is no evidence that he has:
 - a. committed an offence involving fraud, violence or other dishonesty;
 - b. been delinquent in meeting payment obligations;

- c. engaged in business practices that appear to be deceitful, oppressive or improper (whether lawful or not) or which otherwise reflect discredit on his method of conducting business;
- d. an employment record which shows that he carried out an act of impropriety in the handling of his employer's business;
- e. engaged in or been associated with any other business practices or otherwise conducted himself in such a way as to cast doubt on his competence and soundness of judgment.

Responsibilities:

1. Establishing basic Objectives and Policies
2. Electing a president of the Board
3. Engaging a general manager
4. Approving financial structure and budgets
5. Ensuring safety of member assets
6. Maintaining good public relations with all stakeholders
7. Approves the annual credit union operating budget
8. Ensuring that services are meeting member needs
9. Ensuring effective Board operations
10. Reviewing and appraising results
11. Development of a Credit Union policy manual
12. Any other duties which may arise as a result of your position

Knowledge and Skills

1. The role of the Board member requires that individuals should have or develop knowledge and understanding in the following areas: Board, Credit and Supervisory Committee roles and responsibilities.
2. General Management
3. Accounting and Auditing procedures
4. Knowledge of the Credit Union Bye Laws and the Co operative Societies Act
5. The International Credit Union System – WOCCU, Cooperative Credit Union League of Trinidad & Tobago, Chapters in the Credit Union movement.



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CREDIT COMMITTEE MEMBER:

The Credit Committee is responsible for the general supervision of loans to members and for maintaining and ensuring compliance with the credit union's loan policy. The Credit Committee can also approve loans to members and must also verify the ability of borrowing members and their guarantors to meet their obligations under the terms of their loans.

Members of the Credit Committee must maintain the following **Fit and Proper criteria**:

- i) honesty, integrity, fairness and reputation;
- ii) competence, diligence, capability, soundness of judgment;
- iii) financial soundness, that is, the member should demonstrate prudence in the management of his own financial affairs;
- iv) with regard to the previous conduct, business activities and financial matters of the person, there is no evidence that he has:
 - a. committed an offence involving fraud, violence or other dishonesty;
 - b. been delinquent in meeting payment obligations;
 - c. engaged in business practices that appear to be deceitful, oppressive or improper (whether lawful or not) or which otherwise reflect discredit on his method of conducting business;
 - d. an employment record which shows that he carried out an act of impropriety in the handling of his employer's business;
 - e. engaged in or been associated with any other business practices or otherwise conducted himself in such a way as to cast doubt on his competence and soundness of judgment.

Responsibilities:

1. Assist the Board of Directors to develop and update the Credit Policy
2. Keep weekly meetings to review Loan applications
3. Assure the confidentiality of ALL members files
4. Meet and interview loan applicants
5. Provide / recommend counselling for members where necessary
6. Periodically review outstanding loans
7. Monitor and recommend measures to assist in the collection of delinquent loans
8. Report to the Board of Directors monthly and to the Annual General Meeting annually

Knowledge and Skills

1. Understanding Role and Responsibilities of the Credit Committee
2. Knowledge of the Credit Union Credit Policy and Bye laws
3. Loan appraisal knowledge
4. Lending practices and criteria



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SUPERVISORY COMMITTEE MEMBER:

The Supervisory Committee conducts an examination of the affairs of the Credit Union at least semiannually, produces an annual report of its audit and submits same to the members at the Annual General Meeting. The Supervisory Committee will be the primary mechanism for assessing the adequacy of internal controls and for monitoring compliance with these controls.

Members of the Board and Statutory committees and officers must maintain the following **Fit and Proper criteria**:

- i) honesty, integrity, fairness and reputation;
- ii) competence, diligence, capability, soundness of judgment;
- iii) financial soundness, that is, the member should demonstrate prudence in the management of his own financial affairs;
- iv) with regard to the previous conduct, business activities and financial matters of the person, there is no evidence that he has:
 - a. committed an offence involving fraud, violence or other dishonesty;
 - b. been delinquent in meeting payment obligations;
 - c. engaged in business practices that appear to be deceitful, oppressive or improper (whether lawful or not) or which otherwise reflect discredit on his method of conducting business;
 - d. an employment record which shows that he carried out an act of impropriety in the handling of his employer's business;
 - e. engaged in or been associated with any other business practices or otherwise conducted himself in such a way as to cast doubt on his competence and soundness of judgment.

Responsibilities:

1. Acts as “watch dogs “on behalf of the membership of the Credit Union and examine the affairs of the Credit Union at least twice a year.
2. Ensure that the Credit Union’s policies are in conformity with the Co operative Credit Union Act and Bye Laws.
3. Evaluate and make recommendations on the general operations of the Credit Union.
4. Report annually to the annual general meeting

Knowledge and Skills

1. Knowledge of proper and updated Accounting and Auditing procedures
2. Knowledge of the Credit Union Bye Laws and the Co operative Societies Act
3. Knowledge of the Roles and responsibilities of the Board of Directors
4. Relevant management practices.