

Find the right meeting type

6 steps for effective virtual board meetings.

In his 1984 hit, “The Boys of Summer,” Don Henley sang, “Don’t look back, you can never look back.”

Moving through 2023, boards are reconstructing themselves in a post-COVID environment. The question of how to conduct board meetings—in person, virtual, or hybrid—is significant.

Some board members want to return to in-person meetings with everyone in the same room at the same time. Others want to continue using remote video technology. The question is, “What’s best for your board moving forward?”

There’s little doubt that in-person meetings are better for communication. Communication is much more than just words; it also includes facial expressions and body language. Also, nonverbal communication is more challenging to capture in the virtual environment.

In addition, in-person meetings typically include side conversations during breaks. Those conversations clarify issues and build rapport among board members.

Yet, if you’re a member of the digital generation, specifically people under age 40, you spend much of your work life in a virtual environment. Many routine meetings happen virtually with participants spread across the country. As a result, these digital natives are accustomed to virtual meetings, and often can’t fathom why meetings would need to be in person.

Why does this matter? Credit union boards need

more participation and input from the younger people who are replacing baby boomers in the financial marketplace. They’re the consumers who shop for and use products in a fundamentally different way than baby boomers.

Many credit union boards have little or no digital generation representation—a major gap in the boardroom demographic.

Meeting options include in-person only and hybrid arrangements, where members can attend in person or virtually. The most common arrangement we see is the hybrid option. Along with this method, many boards are adding a policy requiring directors to be physically present for several meetings during the year and at the annual planning session.

“The question is, **‘WHAT’S BEST for your board MOVING FORWARD?’**”

Tim HARRINGTON

We strongly recommend that boards plan for hybrid meetings whenever possible. If you want to attract and retain younger directors, this is a requirement. Otherwise, younger directors will see the board as not meeting their needs.

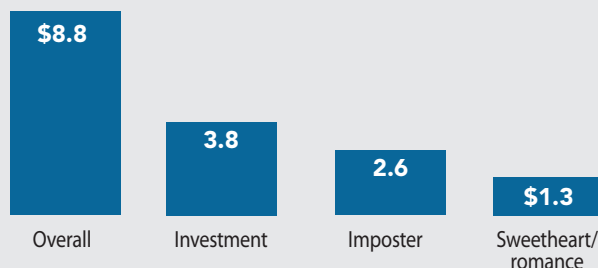
Digital and virtual are the new norm. It’s important for boards to recognize and embrace this. We believe that with a little effort, hybrid meetings can be as

QUICK TAKE for your next board meeting

The cost of fraud

Consumers lost \$8.8 billion to fraud in 2022, according to the Federal Trade Commission (FTC). That’s up from \$6.1 billion in 2021, an increase of more than 30%. Fraudsters employ a variety of methods to deceive their victims, the most common of which are investment, imposter, and sweetheart scams, FTC reports.

2022 fraud losses (\$ billions)



Source: Federal Trade Commission, 2023

effective in-person events.

Virtual success

You have to be intentional to succeed in the virtual meeting environment. It's not a matter of simply moving your meeting to Zoom. Hybrid meetings require adaptations so everyone can get the most out of them. Here are six tips for making them work:

1. Invest in decent equipment: cameras, microphones, displays, and other up-to-date technology. Don't simply make do with what you have or employ the cheapest options. A large monitor in the boardroom or on desktops will allow participants to see body language and facial expressions from participants on camera.

2. Set expectations for learning and using technology. We've all been in meetings with the person who can't find the mute button, and we understand how frustrating it can be. Everyone must take

the time to know how to do this smoothly.

3. Give your full attention to the meeting as if you were there. We've heard too many stories of people making dinner during the hybrid meeting or having people walk in and out of the room. This is unacceptable.

4. Adjust your approach for discussions. Use the raised-hand function if you want to talk, and don't talk over each other.

5. Get a sense of the room. Ask how comfortable board members are with a proposal on a scale of one to five. Everyone votes by holding up the number of fingers that corresponds to their comfort level.

6. Include the voices of those not there in person. Hybrid meetings aren't a license to be silent.

TIM HARRINGTON is president at *TEAM Resources* (forteamresources.com). Contact him at tharrington@forteamresources.com.

Putting members at the forefront

Affinity Plus Credit Union board focuses on members who struggle financially.

Chad Trench joined the board of \$4.1 billion asset Affinity Plus Credit Union, St. Paul, Minn., in 2020 after serving three years on the supervisory committee. He shares the credit union's strategic objectives and describes how its new fee structure assists low- to moderate-income members.

Credit Union Directors Newsletter: How does Affinity Plus foster members' financial well-being?

Chad Trench: In 2020, at a time of economic uncertainty, Affinity Plus changed its fee structure to protect members, especially those struggling financially.

Nonsufficient fund (NSF) fees disproportionately impact people from underprivileged communities and Generation Z, who are just getting started financially.

Learning from what we did in 2020, we permanently transformed our fee structure in 2022 to tackle this issue. This change saved members nearly \$5 million

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Affinity Plus changed its fee structure to protect members, especially those struggling financially.

Chad Trench

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in the first six months, with low- to moderate-income individuals benefiting the most.

Q: What's your full-time job and how does it influence your credit union board experience?

A: I'm fortunate to work for Special Olympics. It has shaped my understanding not only of the importance of giving back to the community, but also supporting everyone within the community. Through Affinity Plus, we have financial products and services with purpose, building up members and communities through education, access, and empowerment.

Q: How does your board ensure the voices of all directors are heard?

A: We've always had quality board leadership. Our culture at Affinity Plus of welcoming all includes the board. We're intentional regarding discussion and having the opportunity and expectation for all to be heard. Even the board packets challenge us with questions to stimulate discussion.

Q: What advice would you offer new board members?

A: Ask questions and speak up. My experience on the supervisory committee gave me a feel for our culture and helped me learn the auditing process, which prepared me for board service. When I joined the board in March 2020, things were changing rapidly due to the pandemic. Our board and senior leadership were very engaged. We weren't just meeting to get updates. It was to discuss, decide, and support each other.

Read the full interview at news.cuna.org/directors.



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Cryptocurrency, blockchain, and the digital future

Emerging technology could shape solutions in lending and payments.

For better or worse, every credit union board member has an opinion about cryptocurrency. Last year was certainly a wild ride for the crypto market, and the collapse of the FTX cryptocurrency exchange was extremely damaging to public perception. Where is this market headed?

Over the last few years, some credit unions began offering members access to bitcoin as an investment. This was a reasonable decision based on the data showing outflows as members transferred funds to crypto exchanges, especially during the crypto bull market.

Nearly every case was a self-directed investment account separate from wealth management. Again, this makes sense given the vendor and regulatory constraints around financial advice related to digital assets.

It's no surprise that this trend of digital assets for members lost momentum in 2022 and will take time to recover. I hope that when it does there will be more discussions about how this service relates to members' overall financial goals and financial well-being.

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Ultimately, the discussion is about digital transformation.
Lamont Black
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As I've met with credit union boards this year, I've shifted the focus around cryptocurrency and blockchain toward use cases other than investing.

This ecosystem is about emerging technology, which should inspire board members to think about how their credit unions can harness the power of technology to serve members.

Ultimately, the discussion is about digital transformation and the ongoing transition from paper-based to electronic systems.

One of the potential use cases on the

horizon is in payments.

Cryptocurrency was designed as digital cash that can be transferred anywhere quickly and cheaply on a public blockchain. In other words, crypto is the digitization of cash that offers an alternative to cashless card networks. The use of stablecoins on open blockchain networks will likely grow in adoption.

Another potential application is in traditional lending. Loans on credit union balance sheets are already digital assets because they don't exist in physical form. We use relatively old technology to record loans as data on separate data management systems.

Transferring data across these systems for purposes such as indirect auto lending and loan sales can be quite difficult and labor intensive.

These pain points suggest a need for a distributed ledger to share information across the network of participants.

A non-fungible token (NFT) is the technology we should explore for recording the data associated with a unique asset like a car loan. For instance, if credit unions can begin to buy and sell loans as NFTs, the information about the borrower, the asset, and the loan terms can all be embedded in the token. Streamlining this data-sharing process is precisely what blockchain was designed to do.

As credit union boards think strategically about the future, I encourage them to look ahead to this digitization of money and assets. We all know that the next generation of consumers is digitally savvy and wants both a high-touch and high-tech experience.

This isn't just about having a banking app with good user experience. It's about revisiting how back-end data structures can move information more efficiently.

Blockchain can help credit unions do this differently in the future.

LAMONT BLACK is assistant professor at DePaul University. Contact him at lblack6@depaul.edu.

Resources



▶ **CUNA Credit Union Board Roundtable, Sept. 9-10, Chicago:** cuna.org/cubrt



▶ **CUNA board and committee solutions:** cuna.org/board



▶ **Credit Union Magazine:** news.cuna.org/creditunionmagazine



▶ **CUNA Supervisory Committee and Internal Audit Conference, Dec. 4-6, Las Vegas:** cuna.org/sciac

The shift to board chair

Experiences differ for all, but leaders keep boards focused on key decisions and strategic goals.

Bishop Dr. Pat McKinstry had a memorable start to her board service at \$14 million asset Toledo (Ohio) Urban Federal Credit Union when, during her first meeting, colleagues provided a “total shock” by electing her board chair.

“When I was nominated and asked if I’d do it, I thought, ‘No, that’s too much,’” McKinstry says of the late 2022 meeting. “But I pray for this community, so whatever I can do for it, I will do.”

At Toledo Urban Federal, she’s part of a nine-member board that includes other pastors, business owners, a certified public accountant, a Catholic nun, and an attorney, some of whom have two decades of board service. The credit union was founded in a church but now has a community charter.

She’s quickly learning about the credit union’s business, meeting with its nine employees and CEO Suzette Collins while “taking a lot of notes and asking probably 1,000 questions a day.”

Getting up to speed quickly is essential for the credit union fulfill its new partnership with Bon Secours Mercy Health to offer low-interest loans to homeowners in the central city. The health-care organization is providing \$3 million in funding for the five-year housing rehabilitation program.

“The new challenge is working with the partnership, reaching out, and renovating the community as a whole,” she says.

While McKinstry’s journey to board chair isn’t typical, every route to this role comes with a new

view and unique challenges. While their perspectives and experiences differ, board chairs aim to use their leadership role to keep the board focused on key decisions and strategic goals.

Megan Manahan Bliss had to make big decisions quickly when she became board chair at \$889 million asset Vermont Federal Credit Union in South Burlington, Vt. Her transition to chair occurred in 2019, just before the pandemic began.

Coordination between the board and senior management was critical to adjust operations. It also required a new dynamic as remote meetings replaced face-to-face conversations.

Bliss was fortunate to have a strong mentor in Joe Finnigan, the previous board chair who continued to serve on the board. Having joined the board in 2015, Bliss also knew the CEO and management team.

“We’re lucky: The senior management team and the board work well together, so the pandemic never felt like a crisis,” she says.

Anticipating the greater time demands of being board chair, Bliss, an attorney, stepped away from other volunteer commitments. It was still a jolt when her time commitment to the board increased even after remote communications eliminated the 30-minute drive to attend meetings.

She also had to adjust her communication style for remote meetings. Her challenge was to identify when questions went unasked or certain topics weren’t clear, and then encourage further discussion.

“It takes about a year before you feel like you’ve got your bearings and know what happens in every cycle of decision-making,” Bliss says. “It’s a learning process, and that’s OK.”

“It’s a learning process, and that’s OK.”

Megan Manahan Bliss

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EDITORIAL STAFF

MICHELLE WILLITS // publisher, mwillits@cuna.coop
BILL MERRICK // deputy editor, bmerrick@cuna.coop
RON JOOSS // senior editor, rjooss@cuna.coop

DESIGN AND PRODUCTION STAFF

CARRIE DOYLE // senior publications & digital design specialist, cdoyle@cuna.coop

CONTACT INFORMATION

EDITORIAL // 608-231-4932
SUBSCRIPTIONS // 800-356-9655, or cuna.org/directors