

## SUBJECT: Annual Meetings

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### INTRODUCTION

This release mainly applies to state-chartered credit unions. It is consistent with the current Model Credit Union Bylaws for Wisconsin state-chartered credit unions. Please take adequate time to review these guidelines to be prepared for your annual meeting. Citations to the model bylaws are provided.

Federal credit unions are advised to also consult their own bylaws.

### EXECUTIVE SUMMARY

The release starts with preliminary information, such as the need for official notice of the meeting, and advance preparations for the election (who may vote, role of the nominating committee, and mail or email ballot procedures). The release provides guidelines for the specific committees that make plans for the event as well as for the officers who must prepare reports for the meeting.

*Exhibit A* provides the planning checklist. *Exhibit B* consists of the annual meeting script. *Exhibit C* provides the list of items to address at the credit union board's reorganization meeting, soon after the annual meeting of the membership.

### NOTICE OF MEETING

The law requires that a membership meeting be held each year. The meeting must be held before July 1 of each year. *Model Bylaws Article IV, Section 2.*

The purpose of the meeting is to hear reports on the previous year's performance, elect directors, and create a sense of unity between the member / owners. It also provides an opportunity to promote the credit union, market new services, and plan for the future. The annual meeting can foster an understanding of the responsibilities involved in volunteering service to the credit union, motivating members to rise to the role of volunteer.

The credit union must notify members of the annual meeting at least 20 days in advance. The Model Bylaws provide several options for annual meeting notices; they say that notices can be

- Provided by mail to each member;
- Published in the credit union newsletter;
- Published in a newspaper of general circulation in each municipality in which the credit union maintains an office;
- Provided by electronic mail to each member who has opted to receive notices electronically (for credit unions that have adopted this option in the 2017 Model Bylaws);

- Provided by another method, as specified in the bylaws, that “provides reasonable assurance that the members will be made aware of the date, place, time and purposes of the annual or special meeting.”

Check your credit unions current bylaws to see which method(s) they require you to use. The method specified in the bylaws must be followed. *Article IV, Section 3.*

The Model Bylaws require the annual meeting notice to include the following:

- Date,
- Time,
- Location of the meeting, and
- Such other information the board deems consistent with the bylaws (for example, items that members have requested to be placed on the agenda).

The meeting notice for a state-chartered credit union is to be mailed or published at least 20 days before the annual membership meeting. *Article IV, Section 3.*

The 2017 Model Bylaws require that all members must be notified of member meetings. Before 2017, the state’s Model Bylaws said that only a “member in good standing” could receive notice of membership meetings. The Model Bylaws were revised in 2017 to eliminate the “member in good standing” material, as explained in the next section of this release.

## **ELECTION PREPARATIONS**

### **Who May Vote?**

All members are eligible to attend the meeting. Attendance by guests is a matter of policy to be addressed within each credit union. Before 2017, the state’s Model Bylaws said that only a “member in good standing” could vote. The 2017 Model Bylaws removed the concept of a “member in good standing,” instead requiring that all members must be allowed to vote – subject to other voting restrictions in the bylaws (which are discussed in the subsections to follow).

Because of the technical aspects of determining eligibility to vote, and the risk of election results being challenged for nonconformance, the secretary or a credentials committee may draw up a list of names of those eligible to vote, before the annual meeting. Whether ballots are distributed by mail or upon entering the meeting hall, ballots should be provided only to those on the list

### **Member in Good Standing**

Before 2017, the state’s Model Bylaws said that only a “member in good standing” could 1) receive notice of membership meetings, 2) vote, 3) serve as a director, or 4) hold credit union accounts. In 2017, the Model Bylaws were revised to eliminate the “member in good standing” material, for two reasons:

- The NCUA has issued numerous legal opinions that a federal credit union cannot deprive a member of two fundamental rights – the right to vote at annual or special meetings and the right to maintain a share account – without going through the formal expulsion process. Their analysis seems sound for state-chartered credit unions, as well: They can have policies to deny certain services to members who have caused a loss or created other problems, but short of expulsion, they cannot go so far as to deny any member the basic rights to vote or to hold a share account. The League has warned credit unions that the “member in good standing” concept is a potential “compliance trap.” See The League’s *ii Release No. 0183 – “Denial of Services.”*
- Ch. 186 does not use the term “member in good standing.” There is no sound legal basis for creating a second “class” of members who are not in “good standing.” Someone is either a credit union member or not.

A credit union that has adopted the 2017 Model Bylaws can only prevent a member from voting or from holding a basic membership share account by expelling that person from membership; otherwise, the credit union may not treat any member as not being in “good standing” – even (for example) a member who is delinquent on a loan or other obligation to the credit union. All members must be notified of member meetings and allowed to vote, serve as a director, or hold credit union accounts – subject to other restrictions in the bylaws, which discussed in the following subsections.

### Record Date

The Model Bylaws refer to the “record date” as the effective date used in determining members’ eligibility to receive notice of any membership meeting, to vote at any meeting, and to call for a special meeting.

If the board of directors does not take specific action to set a different record date, one is automatically set by the bylaws. In the case of a regular election, held at the annual meeting, the record date is at the close of business on the date before the official notice of the annual meeting is delivered to members. In the case of the alternative (mail ballot or email ballot) election method described in Article V, Section 4 of the 1996 and 2005 Model Bylaws, the record date is at the close of business on the day before the first ballot is delivered to members. Other rules apply to special meetings of the membership. *Article IV, Section 4.*

If the board chooses, it may take action to set a different *record date*, but not one more than 70 days before the annual meeting. Nor may it choose the same day it is taking the step of declaring the record date—it must select a “future date.” In most cases, the board will have no reason to set a special record date. *Article IV, Section 4.*

A special record date may be useful to short-circuit any faction that seeks to influence voting by recruiting new members for the credit union shortly before a meeting.

### Member for [?] Months

Under the Model Bylaws, a person must have been a member for (*blank*) months prior to the record date in order to be eligible to vote. The credit union may, at the time it adopts the bylaws, insert whatever number of months it chooses. Some credit unions may choose to use zero, which then just requires that the voter be a member eligible to vote on the record date. Any number may be used. Check your bylaws to see what choice was made. *Article IV, Section 1.*

### Minors

The Model Bylaws provide that, unless otherwise provided by the Board at its previous organizational meeting, no member under the age of majority is permitted to vote. The age of majority in Wisconsin is 18 (regardless of the fact that the Uniform Transfers to Minors Act treats people as “minors” until age 21 as explained in The League’s ii Release No. 0012). *Article IV, Section 1.*

### Proxies; Organizations (including trusts)

Voting by proxy is prohibited. This prohibits anyone from voting on behalf of another by use of a power of attorney or agency appointment. *Article IV, Section 1.*

However, an organization or association that is a member of the credit union may be represented at the annual meeting by its duly authorized representative, who may cast the organization’s ballot. A trust is represented by the trustee at the annual meeting. *Article IV, Section 1.*

Although no member may have more than one vote, there may be occasions where a person who is an individual member in their own right is also entitled to vote as the duly authorized representative of an organization or the trustee of a trust that maintains membership. For example, Robert Phillips may cast one ballot as Robert Phillips (Member #1834) and one ballot as president of Tile’N’More, Inc. (Member #3759).

### Nonmember Joint Accountholders

Remember that second-named joint accountholders are usually not members. As a result, they are usually not eligible to vote. Credit union joint accounts are set up with the member being the first-named on the account agreement and the joint accountholder named second. *Article VII, Section 3.*

The second-named person on an account is often eligible for membership (for example, the spouse of a member). If they have their own membership agreement and a par value share deposit in their own name then they are members and may vote. An ordinary account agreement (such as The League’s single, joint, marital, share certificate, or share draft agreements) is not a membership agreement.

### Nominating Committee

The usual election procedures specified in the Model Bylaws permit the chairperson to appoint a nominating committee consisting of at least three members of the credit union. This is typically done 60 days prior to the annual meeting, but must be done 75 days prior if mail or email ballots are used. The committee must nominate

at least one member for each vacancy on the board (including any unexpired term presently held by a director appointed to fill a vacancy due to resignation, death, or removal). *Article V, Sections 3, 4.*

A suggested practice is to request that those being nominated for the board submit a biographical statement or application stating relevant qualifications for the position, as well as disclosing potential conflicts of interest.

If the election will be at the annual meeting, the chairperson must call for and accept additional nominations from the floor. *Article V, Sections 3(b).* The committee will need to have ballots prepared for the meeting. The ballots should be printed well in advance, and spaces provided for “write-in” candidates. The order of placement of candidates’ names on the pre-printed ballot should be determined by drawing: first name drawn—first name on ballot, etc. In addition to selecting nominees and (usually) handling the balloting in the election of credit union directors, this committee may also be assigned responsibilities relating to resolutions, bylaw amendments, etc.

The nominating committee is responsible for informing the membership of the need for candidates for the board of directors. The future of each credit union lies with the willingness of its members to serve as its directors.

The committee must be aware of the requirements for the position of director and select nominees accordingly. It should be prepared to interview all candidates and determine their qualification to serve. The nominating committee should also observe the minimum qualifications for directors specified in *Article V, Section 1* of the Model Bylaws. Candidates without appropriate qualifications should not be nominated by the committee.

The nominees must be made aware of directors’ responsibilities, duties, and time commitment. They must also indicate a willingness to accept the job if they are elected. The challenge is to find more than one qualified candidate for each position, so the members have a choice. Of course, a contested election generates more interest among members.

#### Some Thoughts on Director Qualifications

- Directors must be conscientious in preparing for and attending meetings.
- Directors must be fair in dealing with members, officers, employees, and regulators. This includes a willingness to set aside pet causes, personal crusades, and self-serving decisions.
- Directors must be willing to grow in knowledge and attend educational programs to improve their ability to serve.
- Directors should be sales representatives for their credit union.
- Directors should be financially solvent, financially active in the credit union, and good credit risks.
- Directors should have the ability to analyze and evaluate the soundness of alternative strategies.
- Directors must have the capacity to work harmoniously with other board members, but also the strength to uphold their convictions.
- Directors should be forward-thinking and seriously concerned with what their credit union will be doing five, ten, or more years ahead.
- Directors should be imaginative, innovative, and willing to lead.
- Directors should possess good judgment and contribute to the decision-making process, not merely “rubber stamp” management requests.
- Directors must recognize and disclose potential conflicts of interest, then abstain from deliberating or voting on the matter at hand.
- Directors should have experience in business and business acumen—or the commitment to learn.
- Directors should represent a broad cross-section of the membership community (a blend of the various demographic, SEG, community, ethnic, retiree, and employee constituencies).

### **Election of Directors by Mail or Email Ballot (Optional)**

Under the Model Bylaws, the board of directors may decide, at least six months prior to the annual meeting, to elect credit union directors by mail ballot or by email ballot. The following procedure is used:

- The chairperson must appoint a nominating committee of at least three members at least 75 days prior to the annual meeting. The committee proceeds to select from the membership at least one candidate for each term or vacancy to be filled. The list of nominees must be submitted to the board chairperson not less than 60 days prior to the annual meeting. *Article V, Section 4.*

The 2017 Model Bylaws require the credit union to add material (in Article V Section 4) describing how the nomination list will be promptly made available to members eligible to vote. For example, the credit union could make the nomination list available at its main location, all branches, on its website, and upon request.

Along with the nomination list, the following notice must be posted in the Credit Union office(s):

#### **NOTICE TO MEMBERS**

You are hereby advised of your right under Article V, Section 4 of the Credit Union's bylaws to submit to the Chairperson on or before \_\_\_\_\_ [insert date which is at least forty (40) days prior to the date of the annual meeting], a petition requesting your nomination as a nominee to the Credit Union's Board of Directors. Your petition must be signed by at least \_\_\_\_\_ members eligible to vote at meetings of the members of the Credit Union.

*Note: If the number of members nominated by the nominating committee equals the number of vacancies on the Board, then the following sentence should be added to the notice: If no member submits a petition, the Chairperson shall take a voice vote or declare each nominee elected by acclamation at the annual meeting and there shall be no election by mail ballot.*

After nominations have been received, if no member submits a valid petition requesting nomination, and if the nominating committee's nominees equal the number of vacant seats on the board (i.e., if there are no contested seats), then the chairperson of the board must take a voice vote or declare each nominee elected by acclamation at the annual meeting.

If there are contested seats, the process for voting depends on whether the credit union's bylaws provide for it to conduct elections by using 1) mail ballots or 2) both email and mail ballots (for credit unions that have adopted the 2017 Model Bylaws):

#### Process for mail ballots

At least 30 days before the annual meeting, the board's secretary must mail a ballot to the last known address of every credit union member eligible to vote. The ballot must contain the name and a brief biographical sketch of each nominee, along with a statement that all ballots must be actually received at least a certain number of days before the annual meeting. (The 2017 Model Bylaws have a blank for the number of days, and you must check your current bylaws to see what your credit union requires.)

Before the annual meeting, the mail ballots shall be opened and counted by tellers of election appointed by the chairperson. The results are then announced at the annual meeting.

All elections shall be determined by plurality vote, except in cases of a tie. If two or more candidates tie "and resolution of the tie vote affects the election of one (1) or more Directors," then the Model Bylaws say that the members present at the annual meeting "shall either elect by a plurality vote the appropriate number of Directors from among the candidates who received the equal number of votes in the initial balloting or shall authorize the candidates to resolve the tie vote by a drawing of lots."

Safeguards are necessary in order to assure the secrecy of the ballots and to make sure that votes are cast by eligible members only. This may be accomplished largely by including the following with the official ballots:

- One envelope clearly marked with instructions that the completed ballot is to be placed inside and the envelope sealed;
- One mailing envelope that is addressed to the credit union, preferably with postage prepaid;

- One identification form to be completed with the member's name, address, and membership number. The form should include instructions to enclose the sealed ballot envelope and the completed identification form in the mailing envelope and mail it back to the credit union in time to be counted.

#### Process for email/mail balloting

Email balloting is an option under the 2017 Wisconsin Model Credit Union Bylaws.

At least 30 days before the annual meeting, the board's secretary must see to it that the following is done:

- Members who have consented to get notices electronically are emailed a "Notice of Ballot" containing the name and a brief biographical sketch of each nominee, along with specific instructions for the electronic election procedure, including how to access and use the system and the deadline for electronic voting.
- Members who have not consented to receive election notices electronically are mailed a ballot (as spelled out in the previous section), along with specific instructions for the electronic election procedure, including how to access and use the system and the deadline for electronic voting. The instructions must also tell members that they can instead vote by submitting "the enclosed mail ballot." As described in the previous section, mail ballots must include a statement that all ballots must be actually received at least a certain number of days before the annual meeting. (The 2017 Model Bylaws have a blank for the number of days, and you must check your current bylaws to see what your credit union requires.)

Safeguards are necessary in order to assure the secrecy of the ballots and to make sure that votes are cast by eligible members only. Under the 2017 Model Bylaws, "It is the duty of the tellers of election, as appointed by the Chairperson, to verify, or cause to be verified the name of the member of the Credit Union eligible to vote and the Credit Union account number as they are registered in the electronic voting system."

The 2017 Model Bylaws also say that the board must "cause the integrity of the electronic voting system to be tested at regular intervals during the election period."

What if the electronic voting system malfunctions? The board may, in its discretion, order elections be held by mail ballot only, in which case, the mail ballots must conform to the procedures spelled out in the previous subsection of this release. Those mail ballots must be mailed once more to all eligible members 30 days before the annual meeting. In that case, the board can make reasonable adjustments to the voting time frames, or it can postpone the annual meeting when necessary, so that the elections can be completed before the annual meeting.

Before the annual meeting, the mail and email ballots shall be opened and counted by tellers of election appointed by the chairperson. The results are then announced at the annual meeting.

All elections shall be determined by plurality vote, except in cases of a tie. If two or more candidates tie "and resolution of the tie vote affects the election of one (1) or more Directors," then the Model Bylaws say that the members present at the annual meeting "shall either elect by a plurality vote the appropriate number of Directors from among the candidates who received the equal number of votes in the initial balloting or shall authorize the candidates to resolve the tie vote by a drawing of lots."

### **PARLIAMENTARY RULES OF ORDER**

All credit union meetings need to be conducted in accordance with some parliamentary rules of order; however, that does not necessarily have to be Roberts Rules of Order. Check your credit union's current bylaws.

Prior to 2017, the Model Bylaws required that: "All meetings of the Board and all annual and special meetings of members shall be conducted in accordance with the procedures defined in the most recent edition of Robert's Rules of Order when not inconsistent with these Bylaws or any special rules of order the body may adopt."

Roberts Rules of Order can be complicated and difficult to understand. So, in 2017, the Model Bylaws were amended to accommodate boards that prefer to use other rules of order, which may be more modern, streamlined and straightforward. If a board fails to adopt other rules of order, then Roberts Rules apply by default. *Model Bylaws Article XIII, Section 3*

### **MEETING PREPARATIONS**

This section of the release provides guidance for the individual committees, which may be appointed to handle preparations for the meeting event. It also includes pointers for officials who must prepare reports to present at

the business meeting. *Exhibit A* of this release consists of an annual meeting checklist to help verify that all tasks are assigned and completed.

Planning has to begin at least three months prior to the meeting. Planning begins by reviewing the events and activities of the previous year. Capitalize on the good things and make every effort to eliminate any past annual meeting problems.

Many credit unions set the time, date and place of the annual meeting a year in advance. The early commitment helps to assure use of the credit union's preferred meeting place.

The following tasks are involved in planning the annual meeting:

- Determine the basic type of annual meeting to be held, such as business only; business & social; business & meal; or business, meal & social.
- Establish the date and time of the meeting. Provide proper notice of the meeting to members in the time frame and manner required by the credit union's bylaws.
- Make the necessary commitment for an appropriate meeting place, based on the type of meeting and availability.
- Create a budget that will meet the financial needs of a successful annual meeting, with reasonable costs.
- Outline in general terms the length of the annual meeting program desired.
- Is there a special occasion to be celebrated, or a theme for the annual meeting? This should be decided upon early so all activities may tie in to the theme.
- Appoint members to the necessary committees: Arrangements, Publicity, Entertainment, and Nominations (if using a mail or email ballot, see the related information above). The chairperson of the board of directors should make the committee appointments, with the aid of other directors, and name the chairperson for each committee. The size of each committee will depend upon the task to be completed. It could be one person or five, depending on the credit union's needs.

When these decisions have been made, let the committees do the tasks assigned to them. It is important that the committees be informed as to what is expected of them and what parameters they have. Have the committees report on their progress at future meetings of the board of directors (or executive committee).

### **Budget**

Because of its importance, a sufficient amount of time and resources must be devoted to preparation of the annual meeting.

The amount of money to be budgeted for the annual meeting depends on the costs of renting a meeting place, printing, entertainment, food, publicity, postage, prizes, awards, etc. As soon as possible, recommendations for the budget should be presented to the board for approval. When the budget is set, each committee chairperson should be notified so that arrangements can be made accordingly. Some credit unions sell tickets to their meetings to help defray the various expenses.

### **Publicity Committee**

Publicity is essential in the success of the annual meeting. There are many methods and techniques for distributing information about the meeting. The publicity committee should use the methods most likely to induce a favorable response from the membership. The annual meeting can be publicized by use of posters, circulars, newspapers, radio, letters of invitation, and television (broadcast or cable). The event can also be promoted by word of mouth, company newsletters, payroll inserts, postcards, email (but see *The League's ii Release 0170* on 'spam' email) or the credit union's home page on the Internet. Any effective means are fine, but information should be consistent and timely.

Invitation of any guests is a matter of credit union policy. It would seem unlikely that any credit union would refuse guests especially if they are eligible for future membership.

Special guest invitations might be mailed to management at companies within the field of membership, legislators, government officials and other dignitaries.

If the meeting includes a meal, advance registration will be necessary in your planning. Meeting notices must therefore spell out that advance registration is needed, who is handling the advance registration, what the cost shall be to the member (guest), and the deadline for advance registration and payment for meal if required.

Any annual meeting where a meal is being served typically calls for advanced registration. The cost of the meal be shared by the member (guest). Without advance registration and without cost sharing, the credit union would have no certainty of how much food to have prepared because of the uncertainty about who will attend.

Whenever there is a meal served at the annual meeting the program is be billed as a dinner and then business meeting. The timing of the business meeting is set so that those members not wishing to attend the dinner may attend the business portion. The meeting notice might read “Dinner at 7:00 p.m. followed by the business meeting at 8:00 p.m.” However, those in charge of the dinner planning must be sure that the meal is served at the specified time. It is unlikely that anyone will attend only the business meeting, but any potential for complaint should be eliminated.

A week or two before the meeting is to be held, send a news release to all newspapers within the area. The release may include:

- the nature of the meeting,
- time and place,
- any notables attending, and
- information about the credit union—especially its financial statistics.

Background information provided about the credit union may include its field of membership, member ownership and control, and nonprofit status. See the following sample press releases for before and after the annual meeting.

**SAMPLE PRE-ANNUAL MEETING NEWS RELEASE**

DATE \_\_\_\_\_

**NEWS - FOR IMMEDIATE RELEASE**

*(Be sure the press release is typed double-spaced.)*

The \_\_\_\_\_th annual meeting of the \_\_\_\_\_ Credit Union will be held at \_\_\_\_\_, at \_\_\_\_\_ directors will be elected.

The credit union serves and is owned by employees (*or residents or members*) of \_\_\_\_\_, (*and their family members*). The total assets of the credit union are \$\_\_\_\_\_.

Chairman \_\_\_\_\_ will report for the board of directors. Reports will also be given by the treasurer, president, and committees.

\_\_\_\_\_ of \_\_\_\_\_ will be the principal (*or guest*) speaker. (*Last name*) is (*title or position*) for the (*company*). (*Indicate his or her background and subject, if available.*)

\$\_\_\_\_\_ was paid out in dividends in 20\_\_\_\_\_ to the \_\_\_\_\_members of the credit union.

At the end of 20\_\_\_\_\_, loans outstanding amounted to \$\_\_\_\_\_. The savings owned by the members totaled \$\_\_\_\_\_. Member savings are federally insured up to \$250,000 by the National Credit Union Administration.

For further information, call \_\_\_\_\_ (*person in charge of meeting*) at (\_\_\_\_) \_\_\_\_\_.

**SAMPLE POST-ANNUAL MEETING NEWS RELEASE**

DATE \_\_\_\_\_

**NEWS - FOR IMMEDIATE RELEASE**

*(Be sure the press release is typed double-spaced.)*

\_\_\_\_\_ directors were elected \_\_\_\_\_ at the \_\_\_\_\_ the annual meeting of the  
\_\_\_\_\_ Credit Union at \_\_\_\_\_ (city). \_\_\_\_\_ member-owners attended  
the meeting.

\_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ *(provide full names  
and addresses)* were elected to the board of directors for \_\_\_\_\_-year terms.

Chairman \_\_\_\_\_, *(full name and address)* reported that assets had increased \_\_\_\_\_% in  
20\_\_\_\_ to \$\_\_\_\_\_.

There are now \_\_\_\_\_ members who have total savings of \$\_\_\_\_\_. Member savings are federally  
insured up to \$250,000 by the National Credit Union Administration.

It was also reported that \_\_\_\_\_ loans were made in 20\_\_\_\_ for a total of \$\_\_\_\_\_. The  
total loaned to members since the credit union was organized in 20\_\_\_\_ is \$\_\_\_\_\_.

The speaker for the evening was *(full name)* of *(city)*. *(Last name)* is *(title or position)* for the *(company)*.

*(Indicate his or her background and some important points in their message.)*

*(Describe entertainment and refreshments, if any. Use names and addresses of those in charge.)*

For further information, call \_\_\_\_\_ *(person in charge of meeting)* at (\_\_\_\_)  
\_\_\_\_\_.

### **Arrangements Committee**

This committee should reserve a location for the meeting. In some situations it will have been reserved by the previous committee immediately following the previous annual meeting. Meeting places are usually not plentiful, so reservations should be made as early as possible.

The meeting place should offer adequate facilities, have appropriate appearance, provide comfortable seating, have a reputation for good food (if food will be served), have ample parking, and be conveniently located for the membership. Under the Americans with Disabilities Act, the meeting place must be accessible to the disabled with auxiliary aids and services provided to those with hearing, vision, or speech impediments when necessary.

The committee should see to it that the meeting area is properly arranged, with adequate seating and a head table. Make certain there is a speaker's stand or portable podium, and that ample lighting is available for speaker area. If food is being served, be sure that there is sufficient table space running parallel to the head table.

If a video or other visual aid is being shown as part of the entertainment, make certain that the meeting place is conducive to everyone seeing the screen. Many places may not be suitable for viewing of films or other visual aids.

The annual meeting program should be distributed at the entrance to the meeting. It may contain the agenda, copies of reports, and names of guest speakers, directors, officers and committee members. It may also list the candidates being presented by the nominating committee.

The program may also address voting eligibility and procedures. Many credit unions will distribute ballots to be used for election of directors when handing out reports and program. If ballots are handed out as people enter the meeting area, make certain only members eligible to vote receive a ballot.

Credit unions need some method to register members and guests who attend the meeting to have an accurate attendance record. There are many ways to register. If tickets are sold for a meal, it is possible to use different colors for voting members and their guests. It is possible to have everyone register for prizes at the meeting—again a color variation could be used between members and non-members. Some credit unions will have members and guests sign in and receive a giveaway with the signing.

The arrangements committee should carry out the theme, if any, of the annual meeting. The committee would prepare the meeting place using decorations, attire, posters, banners, exhibits, etc., consistent with the theme.

With a combined meal and business meeting, there must be an area with extra chairs for those members wishing to attend the business meeting only, at no charge. If food is served, this committee is responsible for selecting the menu and determining the arrangements. Light refreshments, of course, are easiest, but full-course meals are often served with success. In such a case, the committee would work closely with the caterer. Any arrangements for serving alcohol should, of course, be carried out in a responsible manner. See *ii Release No. 0067*.

Any meal arrangements should allow some leeway to the number registered. It would be practical to have dinner space for a number greater than the number registered. The facility serving the food will usually insist upon some guarantee as to the number of persons to be served and will charge for that number, but will usually permit a certain leeway greater than the guaranteed number. This is often from 5 to 10% depending upon the number, type of service, and food to be served. Ask for the leeway; it is better to have a few empty chairs than not enough dining tables.

After the annual meeting, the arrangements committee should see that all borrowed or rented equipment is returned. Unless janitorial service is available, it is the task of this committee to see that the meeting place is left in good order.

Soon after the meeting, the committee should make reservations for next year's meeting to assure access to the meeting place of choice.

### **Entertainment Committee**

The entertainment committee is responsible for selecting the entertainment, keeping the people's interest in mind and striving to plan an evening that would be worthwhile to them.

Possibilities for entertainment at the annual meeting include a guest speaker, a video, a musician, or a variety act. Ideas for a guest speaker include a legislator, community service director, community leader, or other noted individual. Videos relating to the history and philosophy of credit unions, or sometimes current governmental affairs issues, are available from The League's Education & Training Department.

If attendance prizes are to be given away, this committee should select and purchase them. They should be on display at the meeting. Avoid combining the elements of chance and consideration with a prize in order to steer clear of gambling law violations.

Giveaways, such as pens, pencils, calendars, key chains, pocket secretaries, banks, coin purses and playing cards, are a good idea. The entertainment committee may distribute these as reminders of what services are available from the credit union.

Time is of utmost importance, and it is essential that all committees allow themselves enough of it to do their jobs well. When planned far enough in advance, modifications (and there will be some) can be made when necessary with the minimum of confusion. If time is on your side, the problem is half solved...so START EARLY!

There will always be some overlapping of various committee duties. Therefore, all committees must work together.

## **REPORTS**

Report should be printed, with copies distributed to those attending the meeting. Extra copies of this and other reports should be available to interested members who were unable to attend the annual meeting.

### **Chairperson's Report**

See *Exhibit B* for an annual meeting script for use by the chairperson and other officials. It should be reviewed early to gain familiarity with its contents, especially with the credit union's current bylaws.

In addition to chairing the annual meeting, the chairperson provides his or her own report to the membership. The report is a digest of credit union activities during the prior year. Announcing that the credit union has had a successful year is not sufficient. The membership has a right to know what the people they have elected have done in the members' best interests.

The chairperson, prior to giving the report, should introduce the board of directors and its officers to the membership.

The report of the chairperson should indicate how many monthly meetings and how many special meetings had been held in the past year. It would also provide the following information:

- What is the total membership? How many were accepted in the past year?
- Who is eligible to join the credit union? (This needs repeating from year to year.) Was there any expansion in the past year? Are there any plans to expand the field of membership?
- Was there any amendment to the credit union bylaws? What was the amendment and its purpose?
- What new services were added in the past year?
- What savings plans does the credit union offer? What are the dividend rates?
- Were there changes in the loan interest rates? Increases? Decreases? Why?
- What funds in excess of loan needs did the credit union invest in the past year? Where were the investments made? Did the credit union need special approval from the regulator to make such investments?
- Was there a need for the credit union to borrow funds to meet loan or savings withdrawal needs? Where were these funds borrowed from?
- How much bond coverage does the credit union have? Is it more than required? Who does the bond cover?
- Was there any new office equipment purchased last year? Furniture? Fixtures? Land? Office facilities? What are these items to be depreciated at? How many years? How does the membership benefit by these purchases?

- What vacancies were filled on the board of directors in the past year? Why was there a vacancy? Who filled the vacancy? Let members know that board of directors may fill a vacancy only until the membership annual meeting.
- What committees were appointed other than credit committee or audit committee in the past year? Why were they appointed? Who was appointed? Mention that the credit committee and audit committee were appointed and that the membership will receive a report from them later in the meeting.
- What special membership education programs were held? What was the response by the membership? How many attended? If a survey, how many replied? What are this year's plans?
- What educational programs did the board of directors attend? Chapter meetings? Conferences? Seminars? League annual meeting? Other?
- Did the credit union hire a president in the past year? What created the vacancy? What special qualifications did the board of directors require? Introduce the person to the membership if it hasn't previously been done.
- Was there any adverse credit union publicity during the past year? What has been done to address the problem?
- Was the credit union active in community programs or projects? What was the credit union's role? Did the credit union receive any special recognition?
- Are there any plans for the coming year that are not yet announced to the membership? Promotional efforts? Remodeling? Expansion? New services?

There may be other items that the chairperson may include in his or her report: explanation of the theme for the annual meeting, special awards received by the credit union, or awards given by the credit union (e.g., retirements).

Upon the completion of the chairperson's report, the vice chairperson should ask for questions. If questions are posed that can be answered better by other people, never hesitate to call on them for comment and answers.

### **Treasurer's Report**

The treasurer's report may be consolidated with that of the president. It should be printed and distributed to the members attending the annual meeting and usually consists of the balance sheet, listing assets and liabilities. The report can include the differences from the previous year's totals.

Cash, investments, loans, fixed assets, savings and reserves, will increase or decrease—the report may include these percentages. These percentages may be illustrated with graphs. When giving the report it is not necessary to cover each detail, but do note the highlights of the past year.

### **President's Report**

Every credit union should have a person designated as the president of the credit union. This person need not be a member of the board of directors, but is recognized under the law as the chief executive officer.

As chief executive officer, the president should make a report to the membership at the annual meeting. This report may have the treasurer's report incorporated and become one report. The president would report on the office activities of the credit union:

- Who are the other employees of the credit union (if practical to include)? Were there new employees within the past year? What were their duties?
- What were the total receipts for the past year? The total disbursements?
- The total income for the past year was how much? From what sources? What was the average yield per source of income?
- What were the total operating expenses for the past year? This was what percentage of total income? What were the major expense categories, by percentage of the total operating expense?
- What was the total cost of funds? What was the percentage of the cost of funds to total income?

- What is the percentage of all expenses (both operating expenses and cost of funds) to total income?
- How many dollars were transferred to reserves? What dollar amount per reserve? Explain why the reserves are established (can be covered in the presentation of report)?
- How many members are using the various services (loans, share drafts, online banking, IRAs, share certificates, credit/debit cards, Kwik-Cash, HELOCs, etc.)?
- Describe improvements made to or planned for existing services.

Other operational procedures may be covered. These could include insurance benefits and availability, office hours, merchant relationships, employee educational programs attended, etc.

### **Credit Committee/Loan Officer's Report**

The law permits the appointment of a credit committee and/or loan officers. In a number of credit unions the committee and loan officers are both used, with the credit committee having few actual approvals to be made. There appears to be no need to have both make a report. Whichever approves the majority of the loans can be responsible for the report. The report to the membership at the annual meeting may include:

- Types of loans being made (signature, auto, Kwik-Cash, real estate, HELOCs, business, student, and agricultural loans).
- List the number of loans and dollar amount in each classification.
- What are the loan interest rates per type or classification?
- What is the largest loan the credit union will make? For how long a period?
- What loan security is not acceptable, if any?
- How many loans (total) were approved in the past year?
- How long does a loan normally take to be processed and approved?
- Have there been any specific changes in lending policies and practices in the past year?

The person reporting may mention the need to comply with Truth in Lending, Equal Credit Opportunity Act, Fair Credit Reporting Act, Wisconsin Consumer Act, Uniform Commercial Code, and other credit union laws.

### **Internal Audit Report**

The board of directors is required to appoint an audit committee or a CPA to conduct a comprehensive annual audit of the records and accounts of the credit union. Bylaws, Article XI. The official audit report is provided to the board of directors; however, the audit committee usually provides a summary report to the membership at the annual meeting.

How comprehensive the report to the membership is will depend upon the extent of the audit and may include:

- Was there more than one audit in the past year?
- How many member account balances were verified? Was this verification separate from the member's statement?
- What were the activities in performance of the audit? Count cash? Verify investments? Closed account verification? Loan documents and balance verification? Bond? Insurance? Fixed assets and depreciation verification? Insurance on facilities and records? Expense?
- What information, experience, or guide was used to perform the audit?
- Is there any specific recommendation that the board of directors referred to the membership meeting?

Let the membership know that the committee or the CPA reports to the board of directors and serves to protect the members' interest. See *NCUA Rules and Regs. §§ 715.4 and 741.202* for the legal details of the audit requirement.

### **Duties of the Secretary/Annual Meeting Minutes**

The board secretary, while not having a report to read, does have specific duties and responsibilities for the annual meeting. They include:

- Provide proper notice of the annual meeting, per the bylaws. Additional publicity by others involved is fine, but the secretary has the duty of assuring that proper notice of the meeting is provided, in the manner specified in the bylaws, to all members eligible to vote. Be sure to include the election and any special agenda items, such as proposals brought forward by members, in the notice.
- If the election of directors will be conducted by mail or email, then the board secretary is responsible for distributing ballots, as described in the “Election Preparations” section of this release.
- Search the previous year’s minutes to determine if there is any old business to be brought before this year’s meeting. This is business that would have normally been tabled at previous annual meetings.
- Also prior to the annual meeting, check for any correspondence received that would be of general interest or directed to the membership of the credit union.
- The secretary determines whether a quorum (as stated in your credit union bylaws) is present at the meeting. Article IV, Section 5.
- If the credit union prepares and prints the various reports in advance of the annual meeting, and these reports are distributed to the membership, it is not necessary to receive a motion, a second, and a vote on each report following its presentation. The chairperson may say “Are there any questions or comments on this report?” (*Pause.*) “Hearing none, the report is accepted as printed.”
- Any report given at the annual meeting becomes an official part of the minutes. Rather than rewrite each report, attach a copy. The official minutes of the annual meeting may read, “The report of the (president) (treasurer) (credit committee/loan officer(s)) (audit committee) was accepted and is attached to these minutes.”
- It is advisable to enter the name of any member who makes a motion regarding any action or recommendation that is to be recorded in the annual meeting minutes. Although motions must be seconded and voted on by the members, the names of those seconding motions are not needed in the minutes.
- Any recommendations of members, as well as any “tabled” items, should be included under “new business” in the annual meeting minutes
- In the minutes of the reorganization meeting, when directors take their oaths, a listing of all directors elected should clearly reflect the year of election and the year in which each term expires.



League publications are designed to provide accurate information with regard to the subject matter covered, with the understanding that The League does not render legal services. If you have general questions regarding this release, please call The League at (608) 640-4050 if local or (800) 242-0833. For specific legal advice, please consult your credit union’s attorney

Legal Affairs Department

PEG/jb

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### **EXHIBITS**

- A. Annual Meeting Planning Checklist and Annual Meeting Facility Checklist
- B. Annual Meeting Script
- C. The Reorganization Meeting

## EXHIBIT A - ANNUAL MEETING PLANNING CHECKLIST

### THREE MONTHS PRIOR

- ☐ Set time and place
- ☐ Appoint committees
  - ☐ Arrangements
  - ☐ Publicity
  - ☐ Entertainment
  - ☐ Nominating
- ☐ Set a budget
- ☐ Determine the type of meeting:
  - ☐ Business only
  - ☐ Business-social
  - ☐ Dinner-business-social
- ☐ Hold critique session to smooth out next year's meeting
- ☐ Outline, in general, the length of program desired
- ☐ Determine entertainment

- ☐ Select door prizes, souvenirs or other giveaways

- ☐ Select menu and caterer (if necessary), when food is being served

### TWO MONTHS PRIOR

- ☐ Nominating committee is to report on candidate selections at least 60 days before annual meeting
- ☐ Post "Notice to Members"
- ☐ Newsletter announcement
- ☐ Begin annual report to be printed
- ☐ Make nomination list available in manner bylaws require (for mail or email ballots)

### ONE MONTH PRIOR

- ☐ Send mail or email ballots, along with biographical sketches, to members (if using optional election methods)

- ☐ Give official meeting notice

- ☐ Print reports, program and other handout information

### ONE or TWO WEEKS PRIOR

- ☐ Send news release to papers, radio
- ☐ Order centerpieces, decorations

### AFTER MEETING

- ☐ Send post-news release to papers, radio

## EXHIBIT A - ANNUAL MEETING FACILITY CHECKLIST

### MEETING ROOM

- ☐ Set-up:
  - ☐ Classroom style (chairs at tables, facing head table)
  - ☐ Theater style (chairs - no tables, facing head table)
- ☐ Decorations
- ☐ Head table
  - ☐ Centerpiece(s), flag
  - ☐ Number of chairs
  - ☐ Draped with cloth
  - ☐ Gavel
- ☐ Water, pitchers
- ☐ Standing lectern
- ☐ Table lectern
- ☐ Either of the above with light and microphone
- ☐ Registration table
  - ☐ Where: \_\_\_\_\_
- ☐ Name tags/tickets
- ☐ Prize tables
- ☐ Exhibit tables

- ☐ Blackboard

- ☐ Easel

- ☐ Flip chart (easel and pad)

- ☐ Wastebaskets

### ENTERTAINMENT

- ☐ Stage

- ☐ Instruments: \_\_\_\_\_

- ☐ Sound equipment

### VISUAL AID EQUIPMENT

- ☐ Projection equipment

- ☐ Recording equipment

- ☐ VCR/DVD

- ☐ Monitor

- ☐ Table(s) for equipment

- ☐ Screen (size: \_\_\_\_\_)

- ☐ Laptop

- ☐ Cords and connectors

- ☐ WiFi

### FOOD

- ☐ Buffet

- ☐ Sit down

- ☐ Table arrangement

- ☐ Hors d'oeuvres

- ☐ Cold snacks

### BAR

- ☐ Hosted (credit union pays all)

- ☐ By ticket

- ☐ Cash

- ☐ Regular brands of liquor

- ☐ Premium liquor brands

- ☐ Mixes, juices

- ☐ Beer: \_\_\_\_\_

- ☐ Wine: \_\_\_\_\_

- ☐ Napkins/stirrers

- ☐ Garnishes, toothpick

- ☐ Glassware

**EXHIBIT B - ANNUAL MEETING SCRIPT**

|                                              |    |                                         |    |
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| I. OPENING.....                              | 17 | XI. ELECTIONS.....                      | 20 |
| II. AGENDA.....                              | 17 | A. ELECTION PROCEDURES—REGULAR          |    |
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An important responsibility of the credit union chairperson is to conduct the annual membership meeting. The image of the credit union is greatly enhanced by the chairperson’s diligent preparations to conduct the meeting smoothly, with all necessary information at hand. This script is to assist in so conducting the credit union’s membership meeting. Remember that any motions must be seconded and must be voted on by the members.

**I. OPENING**

*Chairperson:* (Tap for order and announce:) “In our meeting notice we informed you that this meeting would begin at \_\_\_\_\_ a.m./p.m. It is now that hour and I, \_\_\_\_\_, as chairperson, call this \_\_\_\_\_ th annual membership meeting of the \_\_\_\_\_ Credit Union.”

**II. AGENDA**

*Chairperson:* “In the meeting material you have each received a copy of the agenda.” (You may read the Agenda instead or in addition.)

- A. Agenda
- B. Determination of a quorum
- C. Introduction of the board of directors, officers and any special guests
- D. Approval of previous year’s annual meeting minutes
- E. Report of the chairperson
- F. Report of the president
- G. Report of the treasurer (may be combined with that of the president)
- H. Report of (auditor) (examining committee) (supervisory committee)
- I. Elections (If there is a contest you may wish to have this earlier on the agenda.)
- J. Loan officer/credit committee report
- K. Communications
- L. Old business
- M. New business
- N. Guest speaker/entertainment (if any)
- O. Adjournment

### III. QUORUM

*Chairperson:* “The bylaws of this credit union set forth the number of members eligible to vote that constitutes a quorum at a membership meeting. That number is \_\_\_\_\_.”

“The secretary will inform us of the number of members now present.”

*Secretary:* “There are \_\_\_\_\_ members eligible to vote now present.”

*Chairperson:* “Members and guests, the secretary certifies that a quorum is present. This is a legal meeting.”

### IV. INTRODUCTIONS

*Chairperson:* “At this time I would like to introduce to you your board of directors and the officers of this credit union. They will rise as I call their name. Any applause should be delayed until all are introduced.”

*(Introduce the vice chairperson, secretary, treasurer, all board members, president, and vice president.) (Pause for any applause.)*

“These individuals also serve on the various committees of this credit union.”

*(If there are any special guests (representing community, sponsor, legislator, League, etc.) introduce them at this time. Anyone who may be a speaker on the agenda may be introduced at this time.)*

### V. MINUTES

*Chairperson:* *(If the minutes have been printed and distributed, you may say:)* “Each of you have received a copy of last year’s annual meeting minutes—I will give you a few moments to review them.” *(Pause.)*

OR

*(If the minutes have not been printed and distributed, you may say:)* “The secretary will now read the minutes of last year’s annual membership meeting.”

*Secretary:* *(If the minutes have not been printed and distributed, read the minutes.)*

*Chairperson:* *(Whether the minutes were printed or read, say:)* “Are there any corrections, additions or deletions?” *(Pause.)* “Hearing none, the minutes are approved as read.”

## VI. REPORT OF THE CHAIRPERSON

*Chairperson:* “I will now surrender the meeting gavel to the vice chairperson and report on the activities of your board of directors during the past year.” *(Give your report.)*

*Vice*

*Chairperson:* “You have heard the chairperson’s report; are there any questions?” *(Pause.)* “Hearing no (further) questions, I will now turn the meeting back to the chairperson.”

## VII. PRESIDENT’S REPORT

The president’s report may include the treasurer’s report, or the president and treasurer offices may be held by one person. The president’s report usually goes into greater detail than the treasurer’s report, including the cash activities, income and expenses.

*Chairperson:* “The next item on our agenda is the report of your credit union president.”

*President:* *(Give your report.)*

*Chairperson:* “You have heard the report of the president. We encourage your questions and comments regarding the financial condition of your credit union.” *(Pause.)* “Are there any (further) questions or comments?” *(Pause.)* “Thank you *(president)*.”

## VIII. TREASURER’S REPORT

This report consists of the credit union’s balance sheet; comparisons with previous year’s report may be included. It is suggested that the treasurer’s report be printed and made available to all in attendance.

*Chairperson:* *(With a printed treasurer’s report you may say:)* “All of you have a copy of the treasurer’s report. In addition to this report will be the report of your credit union president with additional financial details. Are there any questions about the treasurer’s report?” *(Pause.)* “If there are no (further) questions, the report of the treasurer will be filed for audit.”

OR

*(If the treasurer’s report will be presented orally, you may say:)* “We now call upon the treasurer to give you a report on the asset and liability balances of your credit union.”

*Treasurer:* *(Give your report.)*

*Chairperson:* “Are there any questions about the treasurer’s report?” *(Pause.)* “If there are no (further) questions, the report of the treasurer will be filed for audit.”

## IX. AUDIT REPORT

This report may be a printed report as submitted by an outside audit service for this occasion. When such a report is prepared by an outside audit service to be given at the annual membership meeting, you as chairperson may read this report, or designate another director to do so.

If the credit union does not use an outside audit service, it must have an audit or examining committee report to the membership.

*Chairperson:* (With a printed report of the audit or supervisory or examining committee you may say:) “All of you have a copy of the report of the (audit) (supervisory) (examining) committee (*choose one*). In addition to the report to you, as the members, a copy is retained for the government regulatory authorities, for their review.” (*Pause.*) “Are there any questions about this report?”

OR

“The next item of business is the report of the (audit) (supervisory) (examining) committee (*choose one*). We now ask (*committee chairperson*), to give this report.”

*Committee*

*Chairperson:* (Introduce other committee members. Give your report.)

*Chairperson:* “You have heard the report of the (audit) (supervisory) (examining) committee (*choose one*). Are there any questions?” (*Pause.*) “Hearing none, a motion is in order to accept the report. Do I have such a motion?” (*Pause.*) “You have heard the motion. All those in favor, vote ‘Aye’.” (*Pause.*) “Opposed ‘No’.” (*Pause.*) “Motion carried.”

## X. LOAN OFFICER/CREDIT COMMITTEE REPORT

*Chairperson:* (With a printed report of the loan activity you may say:) “All of you have a copy of the report of your credit union’s loan activities for 20 \_\_\_\_; are there any questions of this report?” (*Pause.*) (Introduce the credit committee and loan officers.)

OR

(If there is no printed report, or if it is to be read) “We now call on (*loan officer*) or (*credit committee chairperson*) to give the loan activity report.”

*Loan Officer*

or

*Credit Committee*

*Chairperson:* (Introduce other loan officer(s) and/or credit committee members. Give your report.)

*Chairperson:* “You have heard the (*loan officer’s/credit committee’s*) report; are there any questions?” (*Pause.*) “Thank you (*person presenting the report*).”

## XI. ELECTIONS

Usually all seats on the board of directors are for three year terms, but there are occasions when an unexpired term must be filled. These may be caused by a resignation, removal or death of a director. Under the Model Bylaws, the board of directors appoints a member to hold the seat until the election held in conjunction with the annual meeting. Thus, unexpired terms are necessarily for less than three years. Previous records will have to be checked to determine whether the balance of the term is one or two years.

There are two common methods of electing the board of directors:

- One method is to elect directors at the annual membership meeting.
- The other method, which must be authorized by the board at least six months in advance, is to elect directors by use of a mail ballot with the results given at the annual meeting. Email balloting is also an option under the 2017 Wisconsin Model Credit Union Bylaws.

The methods are presented separately in this script for your convenience.

Sometimes a tie vote has an effect on determining who is to be elected. The Model Bylaws provide that the members present shall either cast votes to decide the tied races or authorize the candidates to resolve the tie by drawing lots. Call for a motion and second on which way to resolve the tie, then take a vote on it and proceed accordingly.

#### **A. ELECTION PROCEDURES—REGULAR BALLOT**

*Chairperson:* “We have \_\_\_\_\_ members of the board of directors whose three year terms have expired. *(If there is an unexpired term, add:)* We also have \_\_\_\_\_ unexpired term(s) of \_\_\_\_\_ years to be filled.

I now ask the chairperson of the nominating committee to read into nomination the names of those they have selected as candidates for election to the board of directors.”)

“(Name of chairperson of the nominating committee), please read into nomination the selections of your committee.”

##### *Nominating Committee*

*Chairperson:* *(Introduce other members of the committee. Read into nomination your slate of candidates.)*

*Chairperson:* *(If you are a candidate for re-election you may wish to have the nominating committee chairperson continue with this part of the election procedure.)* “You have heard the nominations of the nomination committee. It is now your opportunity to make additional nominations from the floor. Remember nominations need no second.

I will ask three times. Are there additional nominations? *(Pause.)* Are there additional nominations from the floor? *(Pause.)* Third and final call, are there additional nominations from the floor? *(Pause.)* Hearing no further nominations, nominations are closed.”

### **Procedure If There Are No Contested Seats**

If there is no contest (that is, the number of candidates equals the number of vacancies), the following would be in order:

*Important note:* Throughout the following material, you will see the phrase “member in good standing” in italics. You may or may not need to use this phrase, depending on your bylaws. Before 2017, the state’s Model Bylaws said that only a “member in good standing” could vote. The 2017 Model Bylaws eliminated the concept of “members in good standing,” instead requiring that all members be allowed to vote – subject to other voting restrictions in the bylaws. Details are in The League’s *ii Release No. 0061*, in the subsection titled “Who May Vote.” Check your credit union’s bylaws well before the annual meeting and edit this script accordingly. Do not refer to “members in good standing” if your credit union’s bylaws have been updated per the 2017 Model Bylaws.

*Chairperson:* “I will entertain a motion directing the secretary to cast one unanimous vote to elect *(read names of nominees)*, as director(s) of this credit union. May I have such a motion?” *(Pause to hear motion.)* “All those in favor of the motion, vote ‘Aye’.” *(Pause.)* “All those opposed, vote ‘No’.” *(Pause.)* “Motion carried.”

### **If There Are Contested Seats**

All elections with more candidates than vacancies are determined by a plurality vote—those receiving the largest number of votes are elected. This same plurality determination is used in filling any unexpired term. The largest vote getter(s) receive three years; the next elects the candidate for the unexpired term.

Ballots should be given at the meeting hall entrance to the members eligible to vote. Ballots are required by the Model Bylaws if there are contested seats; voice votes are not permitted.

*Chairperson:* “We have \_\_\_\_\_ members of the board of directors whose three year terms have expired.” *(If there is an unexpired term, add:)* “We also have \_\_\_\_\_ unexpired term(s) of \_\_\_\_\_ years to be filled.”

“I now ask the chairperson of the nominating committee to read into nomination the names of those they have selected as candidates for election to the board of directors. *(Name of chairperson of the nominating committee)*, please read into nomination the selections of your committee.”

#### *Nominating Committee*

*Chairperson:* *(Introduce other members of the committee. Read into nomination your slate of candidates.)*

*Chairperson:* *(If you are a candidate for re-election you may wish to have the nominating committee chairperson continue with this part of the election procedure.)* “You have heard the nominations of the nominating committee. It is now your opportunity to make additional nominations from the floor. Remember nominations need no second.”

“I will ask three times. Are there additional nominations?” *(Pause.)* “Are there additional nominations from the floor?” *(Pause.)* “Third and final call—are there additional nominations from the floor?” *(Pause.)* “Hearing no further nominations, nominations are closed.”

*Chairperson:* “Prior to any vote I wish to introduce the candidates to you. Will you please rise as I read your name; \_\_\_\_\_,  
\_\_\_\_\_, and \_\_\_\_\_. Thank you.”

*Chairperson:* “Only *(insert if applicable: adult)* members *[in good standing]* on \_\_\_\_\_  
*(specify date)* may vote in this meeting.”

“Have all (adult) members *[in good standing]* as of that date received a ballot?” *(Give time to mark the ballots.)*

“I have appointed the following persons to act as tellers of election for this meeting:  
\_\_\_\_\_, \_\_\_\_\_,  
\_\_\_\_\_. Will you come forward please?” *(Pause.)*

“The tellers will pick up the votes that have been cast and will tabulate them. Remember your vote will not be counted if you vote for more candidates than there are vacancies. You may vote for fewer candidates.”

“Tellers, please gather the ballots for tabulation.”

“Have all the ballots been gathered?” *(Pause.)* “All ballots are now in. We will not wait for the final tabulation at this time, but rather proceed with the meeting.”

## **B. ELECTIONS—MAIL/EMAIL BALLOT**

*Chairperson:* “We have \_\_\_\_\_ members of the board of directors whose three year terms have expired.” *(If there is an unexpired term add:)* “We also have \_\_\_\_\_ unexpired term(s) of \_\_\_\_\_ to be filled.”

“Your board of directors voted at a meeting at least six months prior to this meeting, to conduct elections by a mail *[and if appropriate “and email”]* ballot. I now call upon the nominating committee chairperson, \_\_\_\_\_, to explain the nominating and election procedure that has been completed.”

*Nominating  
Committee*

*Chairperson:* (Introduce other members of your committee.) “This committee selected the following candidates: \_\_\_\_\_

\_\_\_\_\_. This selection was based upon a response to our request for interested members who wished to serve on your credit union’s board of directors.

“We, by requirements of the credit union bylaws, compiled a list of nominees not less than 60 days prior to this meeting. The names were provided to the membership in the manner required by the bylaws so that those who were not selected as candidates could have their names added to the ballot by petition. The petition must be signed by not less than \_\_\_\_\_ members as set by the credit union bylaws.

“We mailed (insert if applicable: or emailed) to every (insert if applicable: adult) member (insert if using Model Bylaws from prior to 2017: in good standing) as of \_\_\_\_\_ (specify date), a ballot with the name and brief biographical sketch of each candidate. These ballots were sent not less than 30 days prior to this meeting. Ballots had to be returned to the committee \_\_\_\_\_ (specify number stated in Article V, Section 4(d)) days prior to this meeting.

“All ballots received according to the time period have been tabulated. The results are: \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_ were elected for a three-year term. (If there is an unexpired term:) \_\_\_\_\_ was elected for a \_\_\_\_\_ year term.”

*Chairperson:* “You have heard the results of the mail (insert if applicable: or email) ballot; a motion is now in order to destroy these ballots not sooner than 30 days following this meeting. May I have such a motion?” (Pause.) “All those in favor vote by the usual ‘Aye’.” (Pause.) “Opposed ‘No’.” (Pause.) “Motion carried.”

## **XII. COMMUNICATIONS**

Determine, prior to the meeting, whether there is any communication that should be read or acknowledged at the annual membership meeting. If there is none, delete “Communications” from the agenda. If there is a communication (perhaps from community leaders, sponsors, legislators, or other sources for special anniversaries) proceed as follows:

*Chairperson:* “We now call on the secretary to read the communication(s) addressed to this meeting.”

*Secretary:* (Read the communication.)

*Chairperson:* “Thank you (secretary).”

### **XIII. OLD BUSINESS**

There is usually no old business unless, at the previous annual meeting, the members required a certain action or report of the board of directors to be referred to this meeting.

*Chairperson:* “The secretary will now consult the minutes of the previous membership meeting for any old business.”

*Secretary:* (If there is old business, read the action that created the necessity for it to be brought before this meeting.)

OR

(If there is no old business:) “There is no old business to be brought before this meeting.”

### **XIV. NEW BUSINESS**

Topics requested in time to be listed in the secretary’s annual meeting notice are to be included in this part of the agenda. Under the Model Bylaws, the members present may, by majority vote, direct the board of directors to consider implementing any policy proposed by the members, or reconsider any decision of the board, officers, or committees. Also, by three-fourths vote, the members may remove any director or amend the bylaws. These actions are permitted only if the meeting notice listed the proposed action. *Model Bylaws Article IV, Section 6.*

Other than any proposal that was listed in the meeting notice, new business raised by the membership is limited to discussion.

*Chairperson:* “Any member may now bring any concern that relates to this credit union onto the floor for discussion. Your questions and concerns can assist your board of directors in their decisions.”

“Is there any new business to be brought before this meeting?”

The results of an election by regular ballot (other than a mail/email ballot) should have been tabulated by this point in the meeting—if there was a contest. The National Association of Parliamentarians recommends that the number of votes for each candidate be stated, followed by the chairperson declaring the winning candidates.

*Chairperson:* “The reporting teller will now read the report of the tellers of election.”

*Reporting*

*Teller:* (Read the total of votes for each candidate, including write-ins.)

Chairperson: “The results of the elections are: \_\_\_\_\_ three years,  
\_\_\_\_\_ three years, and *(if there is an unexpired term)*  
\_\_\_\_\_ was elected for a \_\_\_\_\_ year term.”

“There were \_\_\_\_\_ members voting. \_\_\_\_\_ ballots could not be tabulated  
because they had voted for more candidates than there were vacancies.”

“I will now entertain a motion to destroy the ballots following a retention period of 30  
days. Do I have such a motion?” *(Pause.)*

“All those in favor vote by the usual ‘Aye’ *(pause)*, opposed ‘No’.” *(Pause.)* “Motion  
carried.”

## **XV. GUEST SPEAKER OR ENTERTAINMENT**

Meet with the speaker, if any, prior to the meeting to fashion a proper introduction.

Chairperson: “Our speaker for this meeting is \_\_\_\_\_.” *(Proceed with  
introduction.)*

## **XVI. ADJOURNMENT**

Chairperson: “Is there any other business to come before this meeting?” *(Pause.)*

“If there is none, a motion is in order to adjourn this meeting.” *(Pause.)* “All those in  
favor vote by the usual ‘Aye’ *(pause)*, opposed ‘No’.” *(Pause.)* “The motion is  
carried; this meeting is adjourned.”

## EXHIBIT C - THE REORGANIZATION MEETING

The bylaws require the reorganization meeting to be held within a specified number of days after the annual meeting. Some credit unions have found it practical to hold their reorganization meeting immediately following the annual meeting, while others find it useful to wait a week, for better preparation. At this meeting the board will select board officers, appoint committees, and review many operational needs.

1. Elect board officers of the credit union, i.e., chairperson, one or more vice chairpersons, secretary, and treasurer. Under state law, the chairperson may not serve, at the same time, as vice chairperson, nor as secretary. The reorganization meeting minutes should clearly indicate the results of the elections for each office. Wis. Stats. § 186.08. (The 2017 Wisconsin Model Bylaws for state-chartered credit unions uses the term “Board Officers.” Previous versions used the term “Executive Officers.”)
2. Appoint a credit committee or any other committee the board feels is necessary. (Under the 2017 Model Bylaws, the president appoints “one or more Vice Presidents or other officers.”).
3. Review the current designation of a depository institution (e.g., Corporate Central Credit Union).
4. Approve corporate resolutions required by the depository institution (for authorized check signatures and other transactions.)
5. Review adequacy of the fidelity bond and general insurance plan coverage. The review of fidelity bond coverage is required annually by *Part 713 of the NCUA Rules & Regulations*. The rules also impose other fidelity bond requirements for credit unions’ boards, such as reviewing and approving all applications to purchase or renew fidelity bond coverage. For details, see The League’s *ii Release No. 0180 – Duties, Liabilities & Protections of Credit Union Directors*.
6. The board must appoint an audit committee or hire a CPA to annually audit the records, accounts and affairs of the credit union. If this cannot be handled at the reorganization meeting, it should at least be scheduled for the near future. Wis. Stats. § 186.15; NCUA Rules & Regs. Part 715. NACHA Rules also require an annual automated clearing house compliance audit.
7. Appoint an executive committee, if suitable for the credit union’s needs. Wis. Stats. § 186.08(3).
8. Establish the minimum voting age for the year’s annual or special membership meetings, if the age will be less than 18. Wis. Stats. § 186.10(1).
9. All new directors, officers, credit committee members, loan officers, auditors, and employees of a Wisconsin state-chartered credit union must sign an Oath of Office. If any director, officer, committee member, or employee is appointed during the year, that person must also sign the Oath of Office form upon appointment, indicating the date signed.

While not required by state law, some credit unions require a new oath form to be signed annually, as a means of reminding board members and/or employees of their confidentiality oaths.

Keep the form with credit union records, and do not submit it to the Office of Credit Unions.

Notify the Wisconsin Office of Credit Unions promptly of any changes in the chairperson, president, treasurer, or manager during the year. Changes affecting other directors, committee members or employees need not be reported.

10. Review and sign a Credit Union Code of Ethics, or Code of Conduct (*ii Release No. 0122*).

Each director and officer is in a position of fiduciary responsibility and has a fundamental duty to avoid conflicts of interest or even the appearance of a conflict of interest. The board must assume a leadership role in this area by adopting and enforcing clear conflict-of-interest policies to govern

insider activities with the credit union, as well as the conduct of officers and employees. The policy should address procedures for disclosing actual and potential conflicts of interest; procedures for handling confidential information; requirements for arm's-length dealings; prohibitions on the use of insider information in investment transactions; and restrictions on the acceptance of gifts or other things of value from members or persons having a business relationship with the credit union.

Beyond the common law fiduciary duties of directors and officers, *ii Release No. 0028* identifies particular rules and issues that provide guidance in this area. Also see *ii Release No. 0180: Duties, Liabilities, and Protections of Credit Union Directors*.

11. Delegate authority to act upon membership applications, unless the board chooses to retain that responsibility. Wis. Stats. § 186.08(1m)(a).
12. Delegate authority to an officer or committee, to set dividend rates, unless the board chooses to retain that responsibility. Wis. Stats. § 186.08(1m)(g).
13. Delegate authority to act upon loan applications submitted by any loan officer or member of the credit committee, unless the board chooses to retain that responsibility.
14. Delegate authority to set loan rates to an officer or committee, unless the board chooses to retain that responsibility. Wis. Stats. § 186.08(1m)(e).
15. Determine any compensation for officers elected by the board and members of the credit committee, to the extent permitted by the credit union's bylaws. Compensation for other directors is prohibited in Wisconsin state-chartered credit unions, other than reasonable health, accident, or similar insurance. Reimbursement for out-of-pocket expenses is also permitted. Wis. Stats. § 186.12.
16. Arrange for board training on the responsibilities and duties of directors and officers, including but not limited to confidentiality and abstaining from voting or deliberating when there is a conflict of interest.
17. Establish, or schedule a time to establish, any standards and limitations for compensation of employees, leaving the president to establish actual compensation.
18. Insured credit unions must submit to NCUA a Credit Union Profile, NCUA Form 4501 or its equivalent, within 10 days after an election or appointment of senior management or volunteer officials or within 30 days of any change of the information in the profile. This is submitted electronically through NCUA's online information management system, [CUOnline](#).

The Credit Union Profile includes a certification of compliance with Part 748 of the NCUA regulations (Security Program, Suspicious Transactions, Catastrophic Acts, Cyber Incidents, and Bank Secrecy Act Compliance). See *ii Release No. 0155*.

For more information, please refer to the [NCUA 4501A Profile FAQs](#) and [Form 4501A Instructions](#).

## Policy Reviews

Credit unions need lending, investment, interest rate risk, and other important policies. All such policies should be scheduled for review and revision annually. Regulators frown on rubber-stamped policies. They often require policies to be based on a risk-assessment.

For help, see the "Policies" page under "Topics A to Z" on the Compliance area of The League's website, [www.theleague.coop](http://www.theleague.coop) (login required).

## **Notifications**

In the event of a change of officers or employees, make sure that you properly advise the Office of Credit Unions and your bonding company.

## **Recurring compliance obligations**

Every credit union must comply with a number of recurring compliance obligations, under both federal and state law, throughout the year. The board should ensure that the credit union will see to these items during the coming year. For guidance, see The League's *ii Release No. 0190*.