



# Board Directors' Essentials On-Demand Modules



The Board's Role with BSA

The Board's Role with Cyber Security

The Board's Role With Risk Management

Reg O For Directors

Board Membership Basics

Director Liability

Presented by CBAI

# Introduction

## WHY PARTICIPATE?

Need to liven up board training? This selection of bite-sized board topics is just the ticket! **Each of the six modules is 20-40 minutes – perfect for use during board meetings.** The topics are timeless, necessary knowledge for all directors. Order the Board Essentials for your directors today!

## ON-DEMAND MODULES

Order your recorded modules for 24/7 access to this vital training, including audio, visuals and handouts, which can be viewed any time that is convenient for you.

Additionally, our free digital copies let you download the modules and materials to add to your permanent training library. We even provide the presenters' email addresses for follow-up questions! **This shelf-stable series does not expire.**

## Listen on your iPad, iPhone, or Android

(Instructions are emailed to you with the on-demand modules).

# Topics

THE BOARD'S ROLE WITH BSA

REG O FOR DIRECTORS

THE BOARD'S ROLE WITH CYBER SECURITY

BOARD MEMBERSHIP BASICS

THE BOARD'S ROLE WITH RISK MANAGEMENT

DIRECTOR LIABILITY

All On-Demand Modules Available Beginning on July 1, 2019

## MEET YOUR PRESENTERS

**Ann Brode-Harner of Brode Financial Services** began her career in 1973 and has continued her service as a consultant to regional and community financial institutions through a wide range of areas including strategic planning, lending, deposits, marketing, training, compliance and management. Brode-Harner is a well-respected presenter and has spoken to audiences across the country for over 30 years. She has presented sessions for numerous state associations and has taught at the School of Banking Administration at the University of Wisconsin, Madison, as well as many other state banking schools. Brode-Harner is the author of *The Bank Deposit Documentation Manual for Front-Line Personnel* published by Bankers Publishing Company, and is well represented in numerous industry publications.

**Elizabeth Fast, partner with Spencer Fane LLP**, specializes in the representation of financial institutions. Fast is the head of the firm's training division. She received her law degree from the University of Kansas, Lawrence, KS, and her undergraduate degree from Pittsburg State University, Pittsburg, KS. In addition, she has a Master of Business Administration degree and she is a Certified Public Accountant. Before joining Spencer Fane, she was general counsel, senior vice president and corporate secretary of a \$9 billion bank with more than 130 branches, where she managed all legal, regulatory, and compliance functions. She is a member of the Missouri State Banking Board by appointment of the Governor.

## THE BOARD'S ROLE WITH BSA

**Ann Brode-Harner, Brode Consulting Services, Inc.**

Directors are ultimately liable and responsible for Bank Secrecy Act (BSA) compliance. Does your BSA officer know the compliance requirements? Will the current monitoring procedures and processes implemented by your BSA officer detect a money laundering attempt?

Would it be reported properly? Learn the BSA and money laundering risks your institution faces every day and how BSA officer reports to the board can keep you in the loop and mitigate risk.

## THE BOARD'S ROLE WITH CYBER SECURITY

Ann Brode-Harner, Brode Consulting Services, Inc.

Fund-transfer fraud and account takeover scams result in millions of dollars in losses. In 2018, financial institutions filed nearly 39,000 suspicious activity reports (SARs) regarding wire fraud. Cyber criminals grow more sophisticated every day. This session addresses your institution's FinCEN report-

ing requirements, the following types of cyberattacks, and what directors should know about them: business email compromise (BEC); email account compromise (EAC); corporate account takeover (CATO); and identity theft, including new strategies involving children's identities.

## THE BOARD'S ROLE WITH RISK MANAGEMENT

Ann Brode-Harner, Brode Consulting Services, Inc.

Your risk officer just presented a report to the board on "enterprise-wide" risk mitigation efforts. Do you know what to look for? What do regulators expect? What red flags should catch your attention? Directors receive numerous risk management

assessments for review and approval. Do you know which assessments to expect and what they should contain? Become more informed about these reports and directors' risk management roles and responsibilities.

## REG O FOR DIRECTORS

Elizabeth Fast, Spencer Fane LLP

Regulation O imposes many restrictions on loans made to a bank's directors and their related interests. Since preferential treatment of directors is prohibited, a loan to a director (or the director's related interests) must be based on the same terms and underwriting criteria as loans to other customers. Moreover, a loan to a director must satisfy even higher standards. These loans must be specifically approved in advance by a

majority of the entire board, and the interested director must abstain. In addition, the aggregate amount of loans to a director/related interests is strictly limited. Regulators are quick to impose large civil monetary penalties for any Reg O violation, so it's imperative that all directors understand its requirements and limitations.

## BOARD MEMBERSHIP BASICS

Elizabeth Fast, Spencer Fane LLP

The bank's board of directors has ultimate responsibility for managing and directing the bank. Although the board is permitted to assign specific operational functions to bank officers, their responsibility for the bank's management and control cannot be delegated. The board is responsible for appointing qualified persons as officers and for evaluating the officers' management performance. The bank's officers report directly to the board and must be approved annually. Other major board responsibilities include:

1. Establishing and approving the bank's overall business goals, standards, policies, and procedures
2. Reviewing and evaluating the bank's operating results and performance
3. Ensuring that the bank complies with all applicable laws and regulations

Moreover, board members must adhere to high standards of ethics and confidentiality which require them to avoid conflicts of interest and self-serving practices. This program explains directors' compulsory legal responsibilities.

## DIRECTOR LIABILITY

Elizabeth Fast, Spencer Fane LLP

Serving as a bank director could lead to personal liability. The potential increases when directors don't understand the fiduciary duties they owe to the bank, bank's shareholders, and customers – especially the duties of loyalty and care. Furthermore, bank directors are held to high standards of pro-

fessional conduct, which require directors to make reasonable business decisions on a fully informed basis after proper deliberation. This session fully explains bank directors' duties of loyalty and care and the reasonable business judgment rules to help protect directors from personal liability.

# Registration Forms and Fees

## BOARD ESSENTIALS ON-DEMAND MODULES (SIX SESSIONS)

Pricing	CBAI Member	Non-Member*
On-Demand Module Series	\$550	\$950

**\*Only financial institutions/firms eligible for CBAI membership.**

**\*CDD Discount does not apply to these modules.**

### BOARD ESSENTIAL MODULES:

1. The Board's Role with BSA
2. The Board's Role with Cyber Security
3. The Board's Role with Risk Management
4. Reg O for Directors
5. Board Membership Basics
6. Director Liability

Name \_\_\_\_\_

Bank \_\_\_\_\_

Address \_\_\_\_\_

Phone \_\_\_\_\_ Email\* \_\_\_\_\_

\*(E-mail address required for registration).

Fax this registration form to: 217/585-8738 Call for more information: 800/736-2224

Mail Registration to: CBAI Education Department, 901 Community Drive, Springfield, IL 62703

Name as It Reads on Card \_\_\_\_\_ Card Number \_\_\_\_\_

Billing Address of Card \_\_\_\_\_

Expiration Date \_\_\_\_\_ Three-Digit Security Code \_\_\_\_\_ (MasterCard, Visa, & Discover accepted)

## For More Information

Tracy McQuinn, Senior Vice President  
Melinda McClelland, Vice President  
Jennifer Nika, Vice President  
Tina Horner, Administrative Assistant  
Kim Harden, Administrative Assistant  
Department of Education & Special Events  
800/736-2224 or 217/529-2265 Fax: 217/585-8738  
Terry Griffin, Chicago Area Vice President  
773/209-2260