



ASSOCIATION OF ASIAN CONFEDERATION OF CREDIT UNIONS



Credit Union Label of Excellence in Governance (CULEG)

Credit Union Business Solution No. 25

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INTRODUCTION:

Good governance ensures that credit unions take into consideration the interests of a wide range of membership, as well as of the communities within which they operate. Good governance aims at value creation for its members and communities they operate.

Despite the significant achievements, credit unions across Asia are still facing critical challenges which can be associated to governance. Credit unions are made up of cooperators and they operate on the basis of cooperative principles and values. These in fact are the underpinning differentiation of credit unions with other financial cooperatives. **Cooperatives and credit unions** are based on the **values** of self-help, self-responsibility, democracy, equality, equity, and solidarity. In the tradition of their founders, **cooperative** members believe in the ethical **values** of honesty, openness, social responsibility and caring for others. The values in itself provide basis for credit unions to exude good governance organization.

The challenges surfaced because of the inability of credit unions to put the principles in practice. On the onset, credit unions are meant to help members achieve better lives – a principle and purpose credit unions should never lose sight at any given time. Among others, these are some of the challenges credit unions need to guard themselves of:

- **Unable to Balance Credit Union Principles vs Business:** The internal issues in credit unions can be attributed to the decline in the practice coop values. The mission of the credit unions is the anchor of every decision or service to members. It has been observed that credit unions outreach of the poor is low. If business side is taken into consideration, credit unions would prefer big loans rather than small loans. Tendencies of giving priority to bigger loans to already well-off people could surface instead of “going down” market to provide financial access to low-income and disadvantaged. A retooling is necessary to bring leaders and staff of credit unions to its original mission.
- **Lack of Enabling Regulatory Environment:** Enabling regulatory environment remains an issue in the credit union system in Asia. Except Korea, all Asian credit unions are not externally supervised. It is prevalent that many credit unions do not observe prudential disciplines and operational standards. This made the credit union system in Asia very fragmented and unsustainable. Poor governance and non-conformity with safety and soundness practices led to poor market image of credit unions. Since credit unions are not supervised and no contractual relationship exists with their federations, the credit unions may basically be operating at a loss if industry standards are to be strictly applied.
- **Fragmented Credit Union Network in Asia:** No contractual solidary exists being a member of a federation. Credit unions have their autonomy. Some major issues are: no standardization, competition among credit unions, overlapping of territory and membership, establishment of businesses outside the sphere of financial services financed by members’ savings, dues to federation is not an obligation, instead an option.
- **Technology – Disruptions by FinTechs:** A major existential threat faces credit unions today due to their inability to scale; losing their member base to virtual, internet-based, financial-

technology platform companies (fintechs) offering quick, easy and consumer-friendly services via mobile third-party payment applications, albeit at onerous rates. This would be a huge loss to many emerging-market economies. The challenge faced by credit unions today is the ability to scale and retain their community-based attributes.

- **Millennials: The Missing generation for Credit Unions:** Currently, there is no statistics as to the % of credit union members were under 35, but it is conclusive that majority of the members are 50 above. The millennials born in the 90s grew-up with the internet, connectivity and instantaneous responses to their needs. When asked why they aren't members, many Millennials admitted to not knowing much about credit unions.

Every single leader, organization and network that has ever wanted to create greatness has had to challenge the status quo but some leaders are afraid of the challenge because it would mean they would need to entice improvements, to assemble advancements and to dig deeper into development. The leaders of credit unions must have an open heart, open will and open mind and these are what it meant to become one:

- To have an open heart, there is a need to inspire and encourage others to take a chance.
- To have an open will, there is a need to be willing to risk and take bold steps.
- To have an open mind, there is a need to constantly be learning and growing.

PURPOSE OF GOVERNANCE RATING:

The Credit Union Label of Excellence in Governance (CULEG) is an opinion on relative standing of a credit union organization regarding adoption of the 11 principles of good governance practices.

It provides information to members and stakeholders about the level of good governance practices of the credit union. It enables credit unions to obtain an independent and credible assessment of the quality and extent of their good governance. The rating process would also determine the relative standing of the credit union vis-à-vis the best practices followed in the domestic as well as international organizations.

Credit unions can also use these ratings as reference and set benchmarks for further improvements such as tool for assessing the internal strengths and weaknesses in a strategic planning session. The credit unions can also use the tool as an input to their annual Board retreat. The tool alerts the credit union on the areas to focus rather than “cookie cutter” approach.

BENEFITS

Members and other stakeholders get benefited as they are able to differentiate credit unions based on degree of good governance practices. The tool can be used by the Credit Union Service Organization to promote good governance practices in credit unions. CULEG could propel awareness, objectively acknowledge and respond to governance issues, advance good governance practices and raise the bar of market image of credit unions.

WHAT CULEG IS NOT?

CULEG is not a certificate on statutory compliance. It is an internal self-regulation for the network deployed by the Credit Union Service Organization or federation.

CULEG PROCESS

ACCU trains the federation's staff to acquire the necessary skills to interpret, analyze and rate the credit unions using the tool. The federations then, use the tool to assist credit unions to reach the standards.

The rating will be done by ACCU. The federations with the consent of ACCU designates auditor from their side, while ACCU verifies the audit they perform. The accreditation will be for two years period.

The CULEG process involves perusal of various documents from the credit union like agenda papers and minutes of Board and Board committees, reports to the regulatory bodies, offer documents, minutes of the Annual General Meeting and Extraordinary general meeting. It also involves meeting with top management including CEO, directors and Statutory Auditors, Internal Auditors and so on.

KEY INDICATORS

CULEG uses 11 governance principles as indicators for rating. It assures that abuse of power is minimized, the views of members are taken into account and the mission and core values of credit union are integrated as basis of its operation.

1. **PARTICIPATION:** Participation by both men and women is a key cornerstone of good governance. Participation could be either direct or through legitimate intermediate institutions or representatives. It is important to point out that representative democracy does not necessarily mean that the concerns of the most vulnerable in society would be taken into consideration in decision making. Participation needs to be informed and organized. This means freedom of association and expression on the one hand and an organized civil society on the other hand.
2. **TRANSPARENCY:** means that information should be provided in easily understandable forms and media; that it should be freely available and directly accessible to those who will be affected by governance policies and practices, as well as the outcomes resulting therefrom; and that any decisions taken and their enforcement are in compliance with established rules and regulations.
3. **ACCOUNTABILITY:** Accountability is a key tenet of good governance. The person who is accountable for what should be documented in policy statements. In general, a credit union is accountable to those who will be affected by its decisions or actions as well as the applicable rules of law.

4. **CONSENSUS ORIENTATION:** Good governance requires consultation to understand the different interests of stakeholders in order to reach a broad consensus of what is in the best interest of the entire membership and how this can be achieved in a sustainable and prudent manner.
5. **EFFICIENCY AND EFFECTIVENESS:** Good governance means that the processes implemented by the credit union to produce favorable results meet the needs of its members, while making the best use of resources – human, technological, financial, natural and environmental – at its disposal.
6. **EQUITY & INCLUSIVENESS:** The organization that provides the opportunity for its stakeholders to maintain, enhance, or generally improve their well-being provides the most compelling message regarding its reason for existence and value to society.
7. **RESPECT FOR RULES, POLICIES & REGULATIONS:** Good governance requires fair legal frameworks that are enforced impartially. This covers both external laws and regulations plus the policies and procedures of the credit union
8. **STRATEGIC AND VISIONARY LEADERSHIP:** Strategic and visionary leadership involve both formulating and sharing a clear vision for the future credit union’s success, as well as motivating and persuading employees to subscribe to that vision.
9. **KNOWLEDGE AND SKILLS IN LEADERSHIP:** All good leaders require a number of soft skills to help them positively interact with members and employees of the credit union. Effective leaders have the ability to communicate well, motivate their team, handle and delegate responsibilities, listen to feedback, and have the flexibility to solve problems in an ever-changing workplace. The professional skills of those who deliver governance are continuously maintained and strengthened in order to improve their output or impact. Credit union directors are motivated to continuously improve their performance. Practical methods and procedures are created and used in order to transform skills into capacity and produce better results.
10. **ORGANIZATIONAL PERFORMANCE:** this comprise of the actual results of the credit union as against the standards, goals and objectives. It encompasses specific areas of the credit union’s financial performance and outreach. The rating is concerned with organizational performance including strategic plan, operations, finance, legal, and organization development.
11. **NETWORK’s ACCOUNTABILITY:** Since 2014, ACCU promotes higher level of integration of the credit union networks in Asia. Integration of the credit unions promotes economies of scale, better control of complex procedures and markets, faster response to change, improved business flexibility to markets, control of future technologies, access to a variety of sources of capital and financing, up-to-date expertise, risk reduction, conquest of new markets and a leaner internal structure for

business. CULEG recognizes that credit union leaders have the responsibility and accountability to grow and protect not only their credit union but as well as the network. They need to work collaboratively with other credit unions to set up norms, disciplines and share resources to maximize the financial and other services to members.

Based on the Desjardins Group and Korean Credit Unions, the compliance in the following integration areas will be rated in this tool:

- **Sharing of resources:** Sharing of resources within an integrated network allows for grouping of inputs, Access to support services and collectively owned property of complementary services. The entities in federated networks have access to resources they would not easily obtain in an atomized model.
- **Standardization of systems:** Integration into a network presupposes strong centralization of operational systems, policies and norms, products and the institutional image. Standardization contributes to better performance by stimulating comparison among base units
- **Contractual solidarity:** The degree of integration of a network is partly measured by the contractual solidarity existing among the various units that constitute the network. The homogeneity of the base units should be encouraged in order to provide a balance of power. Dues, sharing, internal security measures and central agencies are all elements that favor the emergence of contractual solidarity.
- **Setting up internal rules and strategies to strengthen governance:** Federated networks are characterized by a structure for democratic representation and centralized authority, by an apex organization whose roles and responsibilities are complementary to those of the base units, by implementation of a surveillance service; and by mechanisms for affiliation and disaffiliation.

CULEG SCORECARD

	SCORE	WEIGHTED SCORE
1. PARTICIPATION		
1.1. Annual General Meeting Information to Members	4	
1.2. Quorum of the AGM	4	
1.3. Remuneration of the Board and Committees	4	
1.4. Composition of the Committees	4	
1.5. Board attendance and participation	4	
1.6. Board oversight function	4	
1.7. Policy Review of the Board	4	
1.8. Gender Equality in Leadership	4	
1.9. Preferential Treatment to Board, Officers & Employees	4	
1.10. Members of the Community using the Services of CU	4	
Sub-total	40	
2. TRANSPARENCY		
2.1. Loan by insiders to members	4	
2.2. Services of a Director to another CU or conflicting financial institution	4	
2.3. Relation with competitor	4	
2.4. Relationship with members – conflict of interest	4	
2.5. Advertising and marketing	4	
2.6. Insider Loans	4	
2.7. External Party Politics	4	
2.8. Internal Politics	4	
2.9. Recommendation of firms to members	4	
2.10. Preferential treatment on referrals of members by insiders	4	
2.11. Disclosure of Conflict of Interest	4	
2.12. Influence on Independent appraisal	4	
2.13. Conflict of Interest of Board before a meeting	4	
Sub-total	52	
3. ACCOUNTABILITY		
3.1. Reliability of financial records	4	
3.2. Accuracy of records	4	
3.3. Sale of credit union properties	4	
3.4. Kickbacks	4	
3.5. Insider Loan and deposit transactions	4	
3.6. Member account information	4	
3.7. Member personal matters	4	
3.8. Security	4	
3.9. Deriving monetary gains from confidential information	4	
3.10. Whistleblower Protection	4	
3.11. Solicitation and accepting things of value in lieu of confidential information	4	
3.12. Acceptance of “Things of Value” in connection with the	4	

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business of the credit union.		
3.13. Service on other Boards	4	
3.14. Service on other Boards of competing or interlocking organizations	4	
Sub-Total	56	
4. CONSENSUS ORIENTATION		
4.1. Quality Member feedback	4	
4.2. Proper Review of complaints	4	
4.3. Member complaints	4	
4.4. Consensus building for a decision	4	
Sub-Total	16	
5. EFFICIENCY AND EFFECTIVENESS		
5.1. Outside employment	4	
5.2. Loans to members	4	
5.3. Member loan documents	4	
5.4. Non-discrimination	4	
5.5. Board and staff responsibilities	4	
5.6. Governance	4	
5.7. Delegation to CEO	4	
5.8. CEO Qualification	4	
5.9. CEO Job Description	4	
5.10. Committee Composition	4	
5.11. Function of the Committee	4	
5.12. Terms of reference of the committee	4	
5.13. Relationship of Committee to the Board and Staff	4	
5.14. Executive Committee Function	4	
5.15. Nominating or Election Committee	4	
5.16. Audit Supervisory Committee	4	
5.17. Credit Committee	4	
5.18. Governance and Ethics Committee	4	
5.19. Other Committees	4	
5.20. Nomination and selection of Board of Directors	4	
5.21. Diversity of Skills and experience	4	
5.22. Board of Directors performance evaluation	4	
5.23. CEO Performance Evaluation	4	
Sub-Total	92	
6. EQUITY & INCLUSIVENESS		
6.1. Influence on independent appraisal	4	
6.2. Fees and penalties	4	
6.3. Purchase or sale of property with affiliated person	4	
6.4. Equitable and timely dividends payment	4	
6.5. Diversity of membership	4	
Sub-Total	20	

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7. RESPECT FOR RULES, POLICIES & REGULATIONS		
7.1. Relationship with regulators	4	
7.2. Consumer Protection	4	
7.3. Equal Employment Opportunity	4	
7.4. Tax Laws	4	
7.5. Compliance with Local Ordinances	4	
7.6. International/National Financial Reporting Standards	4	
7.7. Legal tax advice	4	
7.8. Third party loan benefiting affiliated person	4	
7.9. Annual General Meeting timing	4	
7.10. Annual General Meeting Notice	4	
7.11. Minutes of the meeting	4	
Sub-Total	44	
8. STRATEGIC AND VISIONARY LEADERSHIP		
8.1. Prime Decision Center	4	
8.2. Advisory	4	
8.3. Perpetuating	4	
8.4. Symbolic	4	
8.5. Trustee	4	
Sub-Total	20	
9. KNOWLEDGE & SKILLS IN LEADERSHIP		
9.1. Capacity Based lending	4	
9.2. Guiding and Coaching	4	
9.3. Directors and Committee Orientation program	4	
9.4. Compulsory training for the Board and critical positions	4	
9.5. Continuing education	4	
9.6. CEO responsibilities	4	
Sub-Total	24	
10. ORGANIZATIONAL PERFORMANCE		
10.1. Provisions for delinquent loans over 12 months	4	
10.2. Provisions for delinquent loans 1-12 months	4	
10.3 Net Loans to total assets of 70-80%	4	
10.4 Savings to Total assets of 70-80%	4	
10.5 External borrowing to total assets reducing to zero	4	
10.6 Share Capital to total assets of 13-20%	4	
10.7 Net Institutional Capital to total assets of above 10%	4	
10.8 Total Loan Delinquency to total loan portfolio o less 5%	4	
10.9 Non-earning assets to total assets of less than 5%	4	
10.10 Interest on Share Capital to Average Share Capital of Market rate	4	
10.11 Operating expenses to average assets of 5%	4	
10.12 Liquid investments or liquidity of minimum 15% of total assets	4	
10.13 Growth in membership	4	
10.14 Growth in Total assets is above inflation rate	4	
Sub-total	56	
Grand Total	420	

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11.NETWORK’S ACCOUNTABILITY		
Pooling of Resources		
11.1 Human Resource Development and Planning	4	
11.2 Liquidity Management	4	
11.3 Shared Marketing	4	
11.4 Shared Technology	4	
11.5 Coop Led Digital Platforms	4	
11.6 Network’s Training Institute	4	
11.7 Network’s IT Solutions Infrastructure	4	
Sub-Total	28	
Standardization		
11.8 Products	4	
11.9 Standard Operational Systems	4	
11.10 Standard Policies and Norms	4	
11.11 Institutional Visual Identity	4	
11.12 Human Resources	4	
Sub-Total	20	
Contractual Solidarity		
11.13 Member Dues	4	
11.14 Territory Management	4	
11.15 Balancing the size of credit unions	4	
Sub-Total	12	
Governance and Self-Disciplines		
11.16 Loan Supervision	4	
11.17 Fit and Proper Requirements	4	
11.18 Stabilization Fund	4	
11.19 Risk Based Supervision	4	
11.20 Network Standard – ACCESS	4	
Sub-Total	20	
Grand Total	80	

SCORING

Accreditation	EQUIVALENT %					
	CREDIT UNION LEVEL 10 PRINCIPLES		NETWORK LEVEL 4 ASPECTS OF INTEGRATION		TOTAL	
	SCORE	%	SCORE	%	SCORE	%
Bronze	252 - 294	60-70%	0		240 - 280	60-70%
Silver	299 - 336	71-80%	0		284 - 320	71-80%
Gold	340 - 378	81-90%	65 - 72	81 – 90%	405 - 450	81 – 90%
Platinum	Above 378	above 90%	Above 72	Above 90%	450	above 90%

Principle 1: PARTICIPATION

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	1-Poor	2-Fair	3-Good	4-Excellent
ATTRIBUTES	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
PARTICIPATION				
AGM Information to members	No policy. Agenda, Audited Financial Statements, Proposed Budget, and Report of the Board, Sub-Committees and Management are sent less than <i>10 days</i> before the meeting.	<i>Absence</i> of policy indicating that major meeting documents such as Agenda, Audited Financial Statements, Proposed Budget, and Report of the Board, Sub-Committees and Management are sent <i>15 – 10 days</i> before the meeting allowing members to have enough information prior the meeting. <i>Complied with this requirement in the past year.</i>	<i>Presence</i> of policy indicating that major meeting documents such as Agenda, Audited Financial Statements, Proposed Budget, and Report of the Board, Sub-Committees and Management are sent <i>one month</i> before the meeting allowing members to have enough information prior the meeting. <i>Complied with this requirement in the past year.</i>	<i>Presence</i> of policy indicating that major meeting documents such as Agenda, Audited Financial Statements, Proposed Budget, and Report of the Board, Sub-Committees and Management are sent <i>one month</i> before the meeting allowing members to have enough information prior the meeting. <i>Complied with this requirement in the last 3 years.</i>
Evidences: Postage document of the AGM Meeting book and AGM policy				
Quorum	Attendance is 100% quorum and no policy.	<i>Presence</i> of policy that only the Members in Good Standing are considered to constitute a quorum for the general and special meeting, thus proxy is not allowed at any given time. <i>The quorum is at least 110% - 120% reached in the last year.</i>	<i>Presence</i> of policy that only the Members in Good Standing are considered to constitute a quorum for the general and special meeting, thus proxy is not allowed at any given time. <i>The quorum is at least 110% - 120% reached in the last year.</i>	<i>Presence</i> of policy indicated that only the Members in Good Standing are considered to constitute a quorum for the general and special meeting, thus proxy is not allowed at any given time. <i>The quorum is more than 120% reached in the last 3 years.</i>
Evidences: Attendance Sheet of the AGM and policy				

Credit Union Label of Governance Excellence

ATTRIBUTES	1-Poor	2-Fair	3-Good	4-Excellent
		<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>
Remuneration of Board and Committees	No policy and remuneration of the Board and committees is approved by the Board.	The members can make their views known on the remuneration policy for board members and committees. <i>The AGM deliberated lengthily and approved the recommendation of the Board.</i>	The members can make their views known on the remuneration policy for board members and committees. <i>The AGM objectively deliberated and approved the recommendation of the Board.</i>	The members can make their views known on the remuneration policy for board members and committees. <i>The AGM unanimously approved the recommendation of the Board due to the reasonable basis of the rates.</i>
Evidences: Agenda item to approve remuneration (fees, allowances, benefits in kind and other compensations) or any increases in remuneration for board and committee members.				
Composition and Commitment of the Board	<ul style="list-style-type: none"> ▪ Membership with limited diversity of fields of practice and expertise. ▪ drawn from a narrow spectrum of membership. ▪ limited or no relevant experience. ▪ low commitment to organization's success, vision, mission, meetings infrequent and/or low attendance 	<ul style="list-style-type: none"> ▪ Some diversity in fields of practice. ▪ membership represents a few different segments. ▪ moderate commitment to organization's success, vision, mission, and behavior to suit. ▪ regular, purposeful meetings with overall good attendance 	<ul style="list-style-type: none"> ▪ Good diversity in fields of practice and expertise. ▪ membership represents most segments. ▪ good commitment to organization's success, vision, mission, and behavior suit. ▪ regular, purposeful meetings are well-planned, and attendance is consistently good 	<ul style="list-style-type: none"> ▪ Membership with broad variety of fields of practice and expertise and drawn from the full spectrum of market segments. ▪ includes functional program content-related expertise. ▪ high willingness and proven track record of investing in learning about the CU and addressing its issues. ▪ outstanding commitment to the credit union's success, mission, vision. ▪ meet in person regularly, good attendance, frequent meetings
Evidences: Board meeting minutes				

Credit Union Label of Governance Excellence

ATTRIBUTES	1-Poor	2-Fair	3-Good	4-Excellent
		<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>
Board Attendance and participation	The board of directors meet quarterly and deliberates independently of executive committee or other committees. <i>Average below 70% of the Board members attending the meeting in the last three years. Absences were duly authorized.</i>	The board of directors meet quarterly and deliberates independently of executive committee or other committees. <i>Average 70-89% of the Board members attending the meeting in the last three years. Absences were duly authorized.</i>	The board of directors meet quarterly and deliberates independently of executive committee or other committees. <i>Average 90% of the Board members attending the meeting in the last three years. Absences were duly authorized.</i>	The board of directors meet quarterly and deliberates independently of executive committee or other committees. <i>100% of the Board members attending the meeting in the last three years.</i>
Evidences: Policy, Board attendance sheet, minutes of the Board meetings				
Board Oversight function	<i>Absence of a policy that the Board members are given enough time (at least 15 days) for analysis and deliberation so they can exercise their oversight and direction setting function. Board meeting book are given less than 15 days before the meeting or at the meeting day.</i>	<i>Despite absence of a policy that the Board members are given enough time (at least 15 days) for analysis and deliberation so they can exercise their oversight and direction setting function. This has been consistently applied in the last one Board term as well as in the current board.</i>	<i>Presence of a policy that the Board members are given enough time (at least 15 days) for analysis and deliberation so they can exercise their oversight and direction setting function. This has been consistently applied in the last one Board term as well as in the current board.</i>	<i>Presence of a policy that the Board members are given enough time (at least 15 days) for analysis and deliberation so they can exercise their oversight and direction setting function. This has been consistently applied in the last 2 Board terms.</i>
Evidences: Board meeting book and policy				
Policy Review by the Board	No policies and no review of policies made in the last two Board terms.	The Board did not establish and did not periodically reviews policies and strategies. Review was irregular.	The Board establishes, and periodically reviews policies and strategies. <i>Consistently followed since the last Board term.</i>	The Board establishes, and periodically reviews policies and strategies. <i>Consistently followed since the last two Board terms.</i>
Evidences: Policy and minutes of the meeting of the policy review sessions.				

Credit Union Label of Governance Excellence

	1-Poor	2-Fair	3-Good	4-Excellent
ATTRIBUTES	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
Gender Equality in Leadership	No woman members of the Board or vice versa	10% or less are women Board members or vice versa in the last term.	11 to 49% of the Board are women or vice versa at least in the last two terms.	50% of the Board are women and actively participating in the Board at least in the last three terms.
Evidences: List of Board of Directors				
Preferential treatment of Directors, Officers and Employees	No policy. Violations exist.	<i>Absence</i> of a policy that Directors, Directors Emeriti, Advisory Board Members and those designated as executive officers of the credit union are not eligible for special rates that are not available to members on any loans. <i>No violations recorded or reported in the past year.</i>	<i>Presence</i> of a policy that Directors, Directors Emeriti, Advisory Board Members and those designated as executive officers of the credit union are not eligible for special rates that are not available to members on any loans. <i>No violations recorded or reported in the past year.</i>	<i>Presence</i> of a policy that Directors, Directors Emeriti, Advisory Board Members and those designated as executive officers of the credit union are not eligible for special rates that are not available to members on any loans. <i>No violations recorded or reported in the last 3 years.</i>
Evidences: Code of Business Ethics, Loan and Deposit ledgers				
Members of the community using the services of the credit union	Less than 10% of the working population are members of the credit union	10-19% of the working population are members of the credit union	20-30% of the working population are members of the credit union	More than 30% of the working population are members of the credit union
Evidence: number of working population data and list of members				

Principle 2: **TRANSPARENCY**

Credit Union Label of Governance Excellence

ATTRIBUTES	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
TRANSPARENCY				
Loans by insiders to members	No policy.	Borrowing from members and suppliers by the officers and employees are generally prohibited but not specified in the policy.	Borrowing from members and suppliers by the officers and employees are generally prohibited as stipulated in the policy. The policy is disclosed, and irregular monitoring made by Audit Supervisory Committee.	Borrowing from members and suppliers by the officers and employees are generally prohibited as stipulated in the policy. The policy is fully disclosed to members and public, regularly monitored by the Audit Supervisory Committee and no violations found.
	Evidences: Code of Ethics or policy; Report of the Audit Supervisory Committee			
Service to another credit union or conflicting financial institution	No policy. No awareness on the best practice and violations rampantly exist.	It is a known ethical practice that no director, officer, and employee shall serve in another credit union or doing business that brings conflicts of interest. Such 'Business' may include financing, marketing, service or practice of profession. It's not in the policy, violations exist.	No director, officer, and employee serving in another credit union or doing business that brings conflicts of interest. Such 'Business' may include financing, marketing, service or practice of profession. The policy is disclosed, and irregular monitoring made by Audit Supervisory Committee. No violations exist.	As per policy, no director, officer, and employee serving in another credit union or doing business that brings conflicts of interest. Such 'Business' may include financing, marketing, service or practice of profession. The policy is fully disclosed to members and public, regularly monitored by the Audit Supervisory Committee and no violations found.
	Evidences: Code of Ethics or policy; Report of the Audit Supervisory Committee			

Credit Union Label of Governance Excellence

ATTRIBUTES	1-Poor	2-Fair	3-Good	4-Excellent
		<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>
Relation with competitor	Instances of violations exist, and not in the code of ethics or policy.	No director, officer of employee: a. engages in any activity that in any way competes with the credit union. b. reveals any trade secrets that are unique to the credit union. No violation in this current year. <i>However, this is not in the code of ethics or in the policy.</i>	No director, officer of employee: c. engages in any activity that in any way competes with the credit union. d. reveals any trade secrets that are unique to the credit union. <i>No violation in this past year.</i> This discipline is part of the code of business ethics or policy.	No director, officer of employee: e. engages in any activity that in any way competes with the credit union. f. reveals any trade secrets that are unique to the credit union. <i>No violations in the last 3 years.</i> This discipline is part of the code of business ethics or policy.
Evidences: Code of business ethics				
Relationship with Members - conflict of interest	The cooperative <i>has no policy</i> prohibiting officers and employees to engage in situations which generates conflict of interest. The Audit Supervisory committee <i>irregularly</i> monitor the conflict of interest between officers/employees and members, provide a report with assessment of risks affecting such conflict.	The cooperative <i>has no policy</i> prohibiting officers and employees to engage in situations which generates conflict of interest. The Audit Supervisory committee <i>irregularly</i> monitor the conflict of interest between officers/employees and members, provide a report with assessment of risks affecting such conflict.	The cooperative has a policy prohibiting officers and employees to engage in situations which generates conflict of interest. The Audit Supervisory committee <i>irregularly</i> monitor the conflict of interest between officers/employees and members, provide a report with assessment of risks affecting such conflict.	The cooperative has a policy prohibiting officers and employees to engage in situations which generates conflict of interest. The Audit Supervisory committee <i>regularly</i> monitor the conflict of interest between officers/employees and members, provide a report with assessment of risks affecting such conflict.
Evidences: Report of the Audit Supervisory Committee, Code of Business Ethics or Policy Examples: <ul style="list-style-type: none"> an officer or an employee invest in a business of a member, or participate in a joint venture with a member unless that investment/participation existed prior to employment and is disclosed at time of employment An officer or employee knowingly allow or encourage a member to state false information on a loan application or other credit union form. 				

Credit Union Label of Governance Excellence

	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
Advertising and Marketing	No policy, violations exist.	The cooperative adheres to the highest standards of financial advertising in compliance with all applicable laws and regulations. Advertising are truthful and contain enough information about products or services that the intended audience can be expected to make an intelligent purchase based upon the advertisement. The cooperative is guided by the truth in lending and consumer protection act as a policy. No policy guidance.	The cooperative adheres to the highest standards of financial advertising in compliance with all applicable laws and regulations. Advertising are truthful and contain enough information about products or services that the intended audience can be expected to make an intelligent purchase based upon the advertisement. The cooperative is guided by the truth in lending and consumer protection act as a policy. <i>No violations recorded based on the findings of the Audit Supervisory Committee in the past year.</i>	The cooperative adheres to the highest standards of financial advertising in compliance with all applicable laws and regulations. Advertising are truthful and contain enough information about products or services that the intended audience can be expected to make an intelligent purchase based upon the advertisement. The cooperative is guided by the truth in lending and consumer protection act as a policy. <i>No violations recorded based on the findings of the Audit Supervisory Committee in the last 3 years.</i>
Evidences: Consumer Protection Act, Audit Supervisory Committee report, Advertising materials, Truth and Lending Act				
Insider Loan	No policy is in place and no reporting is made.	<i>Absence</i> of policy that all loans to affiliated persons are disclosed and special procedures not in place for full board review of all material loan transactions involving directors, officers, staff and related parties. <i>Reporting is made in the past 3 years.</i>	<i>Presence</i> of policy that all loans to affiliated persons are disclosed. Special procedures are in place for full board review of all material loan transactions involving directors, officers, staff and related parties. <i>Consistently applied in the past year.</i>	<i>Presence</i> of policy that all loans to affiliated persons are disclosed. Special procedures are in place for full board review of all material loan transactions involving directors, officers, staff and related parties. <i>Consistently applied in the last 3 years.</i>
Evidences: Lending policy and Code of Business Ethics				

Credit Union Label of Governance Excellence

ATTRIBUTES	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
External Party Politics	Incidence of officer or employee acting on its behalf of credit union had contributed, loaned money or items of value to any national or local political candidates or parties. Not stipulated in the policy, not disseminated within the organization, not monitored.	No officer or employee acting on its behalf of credit union had contributed, loaned money or items of value to any national or local political candidates or parties. This includes the use of CU facilities, equipment, supplies, personnel or name. Not stipulated in the policy, not disseminated within the organization, not monitored.	No officer or employee acting on its behalf of credit union had contributed, loaned money or items of value to any national or local political candidates or parties. This includes the use of CU facilities, equipment, supplies, personnel or name. It's stipulated in the policy, fully disclosed to members and public, <i>irregularly</i> monitored by the Audit Supervisory Committee and no violations found.	No officer or employee acting on its behalf of credit union had contributed, loaned money or items of value to any national or local political candidates or parties. This includes the use of CU facilities, equipment, supplies, personnel or name. It's stipulated in the policy, fully disclosed to members and public, <i>regularly</i> monitored by the Audit Supervisory Committee and no violations found.
Evidences: Code of Ethics or policy; Report of the Audit Supervisory Committee				
Internal Politics	Officers or employees openly campaign or influence members to vote for any candidate standing for election to the Board of Directors of the CU, regional, and national federation. No policy and no awareness of its consequences.	No officer or employee campaigns or influence members to vote for any candidate standing for election to the Board of Directors of the CU, regional, and national federation. Not stipulated in the policy, not disseminated within the organization, not monitored.	No officer or employee campaigns or influence members to vote for any candidate standing for election to the Board of Directors of the CU, regional, and national federation. It's stipulated in the policy, fully disclosed to members and public, <i>irregularly</i> monitored by the Audit Supervisory Committee and no violations found.	No officer or employee campaigns or influence members to vote for any candidate standing for election to the Board of Directors of the CU, regional, and national federation. It's stipulated in the policy, fully disclosed to members and public, <i>regularly</i> monitored by the Audit Supervisory Committee and no violations found.
Evidences: Code of Ethics or policy; Report of the Audit Supervisory Committee				

Credit Union Label of Governance Excellence

	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
Recommendation of Firms to Members	Incidence of employees and officers recommending real estate or insurance agents, stockbrokers, attorneys or accountants due to lack of awareness on the implications. No policy.	No employees and officers recommend real estate or insurance agents, stockbrokers, attorneys or accountants. Specific recommendations of this type are avoided. Several names or agencies are given as alternatives for the members to consider. Not stipulated in the policy, not disseminated within the organization, not monitored.	No employees and officers recommend real estate or insurance agents, stockbrokers, attorneys or accountants. Specific recommendations of this type are avoided. Several names or agencies are given as alternatives for the members to consider. It's stipulated in the policy, fully disclosed to members and public, <i>irregularly</i> monitored by the Audit Supervisory Committee and no violations found.	No employees and officers recommend real estate or insurance agents, stockbrokers, attorneys or accountants. Specific recommendations of this type are avoided. Several names or agencies are given as alternatives for the members to consider. It's stipulated in the policy, fully disclosed to members and public, <i>regularly</i> monitored by the Audit Supervisory Committee and no violations found.
Evidences: Evidences: Code of Ethics or policy; Report of the Audit Supervisory Committee				
Preferential treatment on referrals of Members by insiders.	Incidence of preferential treatment to a potential member referred by an insider on either rates or customer service or any other favored attention beyond that given to any other member. No policy and no awareness of its implications to good governance.	Under no circumstance is a potential member referred by an insider was given preferential treatment of any kind about rates or customer service or any other favored attention that is beyond that given to any other member. Not stipulated in the policy, not disseminated within the organization, not monitored.	Under no circumstance is a potential member referred by an insider was given preferential treatment of any kind about rates or customer service or any other favored attention that is beyond that given to any other member. It's stipulated in the policy, fully disclosed to members and public, <i>irregularly</i> monitored by the Audit Supervisory Committee and no violations found.	Under no circumstance is a potential member referred by an insider was given preferential treatment of any kind about rates or customer service or any other favored attention that is beyond that given to any other member. It's stipulated in the policy, fully disclosed to members and public, <i>regularly</i> monitored by the Audit Supervisory Committee and no violations found.
Evidences: Evidences: Code of Ethics or policy; Report of the Audit Supervisory Committee				

Credit Union Label of Governance Excellence

	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
Disclosure of conflict of interest	No policy, violations exists.	Absence of policy that officer or employee makes full disclosure of any personal interest they may have in a loan, project, or property that is the subject of a loan application. <i>Conflict of interest disclosure documented in the past year.</i>	Presence of policy that officer or employee makes full disclosure of any personal interest they may have in a loan, project, or property that is the subject of a loan application. <i>Conflict of interest disclosure documented in the past year.</i>	Presence of policy that officer or employee makes full disclosure of any personal interest they may have in a loan, project, or property that is the subject of a loan application. <i>Conflict of interest disclosure documented in the past 3 years.</i>
Evidences: Lending policy and Code of Business Ethics				
Influence on independent appraisal	No policy, violations exist.	Absence of a policy that no director nor employee influences or attempts to influence through coercion, extortion, or bribery the development, reporting, result, or review of a real estate appraisal sought in connection with a mortgage loan. <i>No violations documented in the past year.</i>	Presence of a policy that no director nor employee influences or attempts to influence through coercion, extortion, or bribery the development, reporting, result, or review of a real estate appraisal sought in connection with a mortgage loan. <i>No violations documented in the past year.</i>	Presence of a policy that no director nor employee influences or attempts to influence through coercion, extortion, or bribery the development, reporting, result, or review of a real estate appraisal sought in connection with a mortgage loan. <i>No violations documented in the last 3 years.</i>
Evidences: Lending policy and Code of Business Ethics				

Credit Union Label of Governance Excellence

ATTRIBUTES	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
Conflict of Interest	No policy. The Chair did not request the directors to declare conflict of interest at the start of every meeting. No declaration is made by any board of director.	<i>Absence</i> of a policy that a Director must disclose personal interest before the Board and that the said Director restrain himself or herself from participation in the discussion, and not vote on the matter. The Chair of the Board request to declare conflict of interest on any agenda at the start of every meeting. Declaration of conflict of interest formally made by directors <i>in the past year</i> .	<i>Presence</i> of a policy that a Director must disclose personal interest before the Board and that the said Director restrain himself or herself from participation in the discussion, and not vote on the matter. The Chair of the Board request to declare conflict of interest on any agenda at the start of every meeting. Declaration of conflict of interest formally made by directors <i>in the past year</i> .	<i>Presence</i> of a policy that a Director must disclose personal interest before the Board and that the said Director restrain himself or herself from participation in the discussion, and not vote on the matter. The Chair of the Board request to declare conflict of interest on any agenda at the start of every meeting. Declaration of conflict of interest formally made by directors <i>in the past 3 years</i> .
Evidences: Minutes of the Board meeting.				

Principle 3: ACCOUNTABILITY

Credit Union Label of Governance Excellence

ATTRIBUTES	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
ACCOUNTABILITY				
Reliability of financial records	Financial statements are prepared in accordance with an internationally recognized system of accounting and audited by <i>an independent auditing firm</i> . Received a qualified audit report. External auditor has material findings on the reliability of the financial statements that need to be corrected.	Financial statements are prepared in accordance with an internationally recognized system of accounting and audited by <i>an independent auditing firm</i> . Complies with the all the disclosure requirements under applicable law and regulations.	Financial statements are prepared in accordance with an internationally recognized system of accounting and audited by a <i>recognized independent auditing firm</i> . Complies with the all the disclosure requirements under applicable law and regulations. <i>Received an unqualified audit report at least in the past financial year.</i>	Financial statements are consistently prepared in accordance with an internationally recognized system of accounting and audited by a <i>recognized independent auditing firm</i> . Complies with the all the disclosure requirements under applicable law and regulations. <i>Received an unqualified audit report at least in the last 3 years.</i>
	Evidences: Audited Financial Statements, accounting policies and procedures, International Financial Reporting Standards and country financial reporting standards.			
Accuracy of records	Inaccurate accounting records.	Officers and employees adhere to established accounting rules and audit controls. All records accurately reflect transactions in a timely manner. Incorrect or misleading entries are corrected at the end of the month.	Officers and employees <i>always</i> adhere to established accounting rules and audit controls. All records accurately reflect transactions in a timely manner. Incorrect or misleading entries are corrected immediately.	Officers and employees <i>consistently</i> ¹ adhere to established accounting rules and audit controls. All records accurately reflect transactions in a timely manner. Incorrect or misleading entries are corrected immediately.
	Evidences: Accounting and internal audit policies, Journal vouchers on the correction of entries, findings of the Audit Supervisory Committee (reports), financial standards adopted based on internal standards			

¹ Consistently would refer to same practice at least in the last 3 years.

Credit Union Label of Governance Excellence

ATTRIBUTES	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
Sale of Credit Union Properties	No policy. Violations exist.	<i>No policy guidelines</i> are set on the sale of CU property that no directors, officers and employees enjoy no advantage over the general public in the purchase of credit union properties whether those properties include real estate, automobiles or any other real or personal properties. In the current year, no dealings with directors or staff on the sale of credit union properties.	Clear policy guidelines are set on the sale of CU property that no directors, officers and employees enjoy no advantage over the general public in the purchase of credit union properties whether those properties include real estate, automobiles or any other real or personal properties. <i>In the past year, no dealings with directors or staff on the sale of credit union properties.</i>	Clear policy guidelines are set on the sale of CU property that no directors, officers and employees enjoy no advantage over the general public in the purchase of credit union properties whether those properties include real estate, automobiles or any other real or personal properties. <i>In the last 3 years, no dealings with directors or staff on the sale of credit union properties.</i>
Evidences: Code of business ethics and policy				

Credit Union Label of Governance Excellence

	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
Kickbacks	No policy. Violations exist on this premise.	Absence of policy that kickbacks are improper payments to any party for the referral of business and are strictly prohibited. Percentage payments received by directors, officers or employees on the business deals with credit union suppliers such as printing, equipment, furniture, contractors and service providers are strictly prohibited. <i>No violation is recorded or reported in the past year.</i>	<i>Policy is clear</i> that kickbacks are improper payments to any party for the referral of business and are strictly prohibited. Percentage payments received by directors, officers or employees on the business deals with credit union suppliers such as printing, equipment, furniture, contractors and service providers are strictly prohibited. <i>No violation is recorded or reported in the past year.</i>	<i>Policy is clear</i> that kickbacks are improper payments to any party for the referral of business and are strictly prohibited. Percentage payments received by directors, officers or employees on the business deals with credit union suppliers such as printing, equipment, furniture, contractors and service providers are strictly prohibited. <i>No violation is recorded or reported in the last 3 years.</i>
Evidences: Code of Business conduct and report of the Supervisory committee				
Insider Loan and deposit transactions	No policy. Violations on this premise exist.	No policy that officers and employees of the credit union are prohibited from performing transactions involving their own deposit or loan accounts or any deposit or loan accounts involving their immediate family or any affiliated business relationships. <i>No violation is recorded or reported in the past year.</i>	A policy that officers and employees of the credit union are prohibited from performing transactions involving their own deposit or loan accounts or any deposit or loan accounts involving their immediate family or any affiliated business relationships. <i>No violation is recorded or reported in the past year.</i>	A policy that officers and employees of the credit union are prohibited from performing transactions involving their own deposit or loan accounts or any deposit or loan accounts involving their immediate family or any affiliated business relationships. <i>No violation is recorded or reported in the last 3 years.</i>
Evidences: Code of Business Ethics, sample loans and deposit ledgers.				

Credit Union Label of Governance Excellence

	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
Member account information	No policy, violations exists.	<i>Absence of a policy stating that member account information is safeguarded i.e. account balances, information on a loan application, overdrafts, deposits, withdrawals, names and addresses of the credit unions' members. Such information is only discussed with the members. No violation recorded or reported in the past year.</i>	<i>Presence of a policy stating that member account information is safeguarded i.e. account balances, information on a loan application, overdrafts, deposits, withdrawals, names and addresses of the credit unions' members. Such information is only discussed with the members. No violation recorded or reported in the past year.</i>	<i>Presence of a policy stating that member account information is safeguarded i.e. account balances, information on a loan application, overdrafts, deposits, withdrawals, names and addresses of the credit unions' members. Such information is only discussed with the members. No violation recorded or reported in the last 3 years.</i>
Evidences: Code of Business Ethics or policy, Audit Supervisory Committee report				
Member personal matters	No policy. Violations exist.	<i>Absence of a policy stating that personal Matters regarding co-workers as well as members i.e. divorce, disagreements, personality conflicts or embarrassing behavior are not disclosed. No violation recorded or reported in the past year.</i>	<i>Presence of a policy stating that personal Matters regarding co-workers as well as members i.e. divorce, disagreements, personality conflicts or embarrassing behavior are not disclosed. No violation recorded or reported in the past year.</i>	<i>Presence of a policy stating that personal Matters regarding co-workers as well as members i.e. divorce, disagreements, personality conflicts or embarrassing behavior are not disclosed. No violation recorded or reported in the last 3 years.</i>
Evidences: Code of Business Ethics or policy, Audit Supervisory Committee report				

Credit Union Label of Governance Excellence

	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
Security	No policy. Violations exist.	<i>Absence of a policy that Security i.e. opening/closing procedures, alarm/camera systems, cash drawer limits are not disclosed. No violation recorded or reported in the past year.</i>	<i>Presence of a policy that Security i.e. opening/closing procedures, alarm/camera systems, cash drawer limits are not disclosed. No violation recorded or reported in the past year.</i>	<i>Presence of a policy that Security i.e. opening/closing procedures, alarm/camera systems, cash drawer limits are not disclosed. No violation recorded or reported in the last 3 years.</i>
Evidences: Code of Business Ethics or policy, Audit Supervisory Committee report				
Deriving monetary gains from confidential information	No policy. Violations exist.	<i>Absence of policy that no monetary gains derived from confidential information obtained only by reason of employment or as a director with the credit union, whether such information relates to the credit union, its members, or anyone with whom it has business relations. No violation recorded or reported in the past year.</i>	<i>Presence of policy that no monetary gains derived from confidential information obtained only by reason of employment or as a director with the credit union, whether such information relates to the credit union, its members, or anyone with whom it has business relations. No violation recorded or reported in the past year.</i>	<i>Presence of policy that no monetary gains derived from confidential information obtained only by reason of employment or as a director with the credit union, whether such information relates to the credit union, its members, or anyone with whom it has business relations. No violation recorded or reported in the last 3 years.</i>
Evidences: Code of Business Ethics or policy, Audit Supervisory Committee report				
Whistleblower Protection	No policy. Violations exist.	<i>Absence of a policy on Whistleblower protection that includes submission of Good Faith report, reporting procedures and monitoring. No Good Faith report in the past years.</i>	<i>Presence of a policy on Whistleblower protection that includes submission of Good Faith report, reporting procedures and monitoring. No Good Faith report in the past years.</i>	<i>Presence of a policy on Whistleblower protection that includes submission of Good Faith report, reporting procedures and monitoring. No Good Faith report in the past 3 years.</i>
Evidences: Code of Business Ethics or policy, Audit Supervisory Committee report				

Credit Union Label of Governance Excellence

ATTRIBUTES	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
Solicitation and accepting things of value in lieu of confidential information	No policy. Violations exist.	<i>Absence of a policy that no solicitation of and acceptance of “things of value” by Directors, Officers and employees from a third party in return for any business, service or confidential information of the credit union. No violation recorded or reported in the past year.</i>	<i>Presence of a policy that no solicitation of and acceptance of “things of value” by Directors, Officers and employees from a third party in return for any business, service or confidential information of the credit union. No violation recorded or reported in the past year.</i>	<i>Presence of a policy that no solicitation of and acceptance of “things of value” by Directors, Officers and employees from a third party in return for any business, service or confidential information of the credit union. No violation recorded or reported in the last 3 years.</i>
Evidences: Code of Business Ethics or policy, Audit Supervisory Committee report				
Acceptance of “Things of value” in connection with the business of credit union	No policy. Violations exist.	<i>Absence of a policy that no Directors, Officers and employees accept Things of Value from anyone in connection with the business of the Credit union other than bona fide salary, wages, fees or other compensation paid in the usual course of business. No violation recorded or reported in the past year.</i>	<i>Presence of a policy that no Directors, Officers and employees accept Things of Value from anyone in connection with the business of the Credit union other than bona fide salary, wages, fees or other compensation paid in the usual course of business. No violation recorded or reported in the past year.</i>	<i>Presence of a policy that no Directors, Officers and employees accept Things of Value from anyone in connection with the business of the Credit union other than bona fide salary, wages, fees or other compensation paid in the usual course of business. No violation recorded or reported in the last 3 years.</i>
Evidences: Code of Business Ethics or policy, Audit Supervisory Committee report				

Credit Union Label of Governance Excellence

ATTRIBUTES	1-Poor	2-Fair	3-Good	4-Excellent
		<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>
Service on Other Boards	No Policy. Violations are prevalent.	<i>Absence of policy that directors limit their service to not more than one other boards of a primary, secondary and tertiary credit union or any co-operative organizations, but exceptions to this policy will be made in appropriate cases. Where a Director seeks to serve on more than three other boards, the Governance Committee will consider the request and submit its recommendation to the Board for consideration and decision. No violations on this discipline in the current board.</i>	<i>Presence of policy that directors limit their service to not more than one other boards of a primary, secondary and tertiary credit union or any co-operative organizations, but exceptions to this policy will be made in appropriate cases. Where a Director seeks to serve on more than three other boards, the Governance Committee will consider the request and submit its recommendation to the Board for consideration and decision. No violations on policy in this current Board.</i>	<i>Presence of policy that directors limit their service to not more than one other boards of a primary, secondary and tertiary credit union or any co-operative organizations, but exceptions to this policy will be made in appropriate cases. Where a Director seeks to serve on more than three other boards, the Governance Committee will consider the request and submit its recommendation to the Board for consideration and decision. No violations on policy from the last two Board terms.</i>
Evidences: List of board of Directors of the credit union and other federations				

Credit Union Label of Governance Excellence

ATTRIBUTES	1-Poor	2-Fair	3-Good	4-Excellent
		<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>
Service on Boards of Competing or Interlocking organizations	No Policy. Violations are prevalent.	<i>Presence of a policy that no Director serve as a director of any public or private companies that is competitive with the businesses of the credit union. No violations on this discipline in the current board.</i>	<i>Presence of a policy that no Director serve as a director of any public or private companies that is competitive with the businesses of the credit union. No violations on policy in this current Board.</i>	<i>Presence of a policy that no Director serve as a director of any public or private companies that is competitive with the businesses of the credit union. No violations on policy from the last two Board terms.</i>
	Evidences: Policy			

Principle 4: CONSENSUS ORIENTATION

Credit Union Label of Governance Excellence

ATTRIBUTES	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
CONSENSUS ORIENTATION				
Quality Member Feedback	<p>Despite no policy, uses five of these to get member feedback:</p> <ol style="list-style-type: none"> 1. Provide Proactive Live Chat Support 2. Get Feedback on Live Chat Session 3. Provide Dedicated Feedback Forms 4. Measure Service Performance through survey 5. Call Your members regularly 6. Use Email Surveys for New members 7. Monitor Social Channels 8. Use Polls 9. Ask Feedback when member resigns 10. Create an Online Community 11. Display Positive member Feedback 12. Ask Feedback in Return for a Prize or Gift 13. Use negative feedback to showcase professionalism 14. In-App feedback 15. Facebook reactions 	<p><i>Despite no policy, uses multiple means to get members' feedback. 8 of these were used:</i></p> <ol style="list-style-type: none"> 1. Provide Proactive Live Chat Support 2. Get Feedback on Live Chat Session 3. Provide Dedicated Feedback Forms 4. Measure Service Performance through survey 5. Call Your members regularly 6. Use Email Surveys for New members 7. Monitor Social Channels 8. Use Polls 9. Ask Feedback when member resigns 10. Create an Online Community 11. Display Positive member Feedback 12. Ask Feedback in Return for a Prize or Gift 13. Use negative feedback to showcase professionalism 14. In-App feedback 15. Facebook reactions 	<p>As a policy, uses multiple means to get members' feedback. 10 of these were consistently (3 years) used:</p> <ol style="list-style-type: none"> 1. Provide Proactive Live Chat Support 2. Get Feedback on Live Chat Session 3. Provide Dedicated Feedback Forms 4. Measure Service Performance through survey 5. Call Your members regularly 6. Use Email Surveys for New members 7. Monitor Social Channels 8. Use Polls 9. Ask Feedback when member resigns 10. Create an Online Community 11. Display Positive member Feedback 12. Ask Feedback in Return for a Prize or Gift 13. Use negative feedback to showcase professionalism 14. In-App feedback 15. Facebook reactions 	<p>As a policy, uses multiple means to get members' feedback. All of these were consistently (3 years) used:</p> <ol style="list-style-type: none"> 1. Provide Proactive Live Chat Support 2. Get Feedback on Live Chat Session 3. Provide Dedicated Feedback Forms 4. Measure Service Performance through survey 5. Call Your members regularly 6. Use Email Surveys for New members 7. Monitor Social Channels 8. Use Polls 9. Ask Feedback when member resigns 10. Create an Online Community 11. Display Positive member Feedback 12. Ask Feedback in Return for a Prize or Gift 13. Use negative feedback to showcase professionalism 14. In-App feedback 15. Facebook reactions
Evidences: Policy				

Credit Union Label of Governance Excellence

	1-Poor	2-Fair	3-Good	4-Excellent
ATTRIBUTES	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
Proper review of complaints	No policy and no functioning Mediation and Conciliation committee or its equivalent.	Despite absence of policy, the Mediation and Conciliation Committee, in a meeting duly called for the purpose, reviewed any complaints that a director has violated any provision of the credit union's Bylaws, Governance Policies, Code of Conduct, Oath of Office & Confidentiality Agreement. <i>Consistently applied in the past year. No dispute reached court case.</i>	As a policy, the Mediation and Conciliation Committee, in a meeting duly called for the purpose, reviewed any complaints that a director has violated any provision of the credit union's Bylaws, Governance Policies, Code of Conduct, Oath of Office & Confidentiality Agreement. <i>Consistently applied in the past year. No dispute reached court case.</i>	As a policy, the Mediation and Conciliation Committee, in a meeting duly called for the purpose, reviewed any complaints that a director has violated any provision of the credit union's Bylaws, Governance Policies, Code of Conduct, Oath of Office & Confidentiality Agreement. <i>Consistently applied in the last 3 years. No dispute reached court case.</i>
Evidences: Policy, TOR of Complaints and Mediation Committee				
Member Complaints	No policy, record of court case with member resulting from unresolved conflict.	Absence of a policy that review member complaints. The review of such complaints provides opportunity for members to present their positions. Every attempt was made to resolve such matters expeditiously and fairly. <i>No court case filed related to any member dispute in the last year.</i>	Presence of a policy that review member complaints. The review of such complaints provides opportunity for members to present their positions. Every attempt was made to resolve such matters expeditiously and fairly. <i>No court case filed related to any member dispute in the last year.</i>	Presence of a policy that review member complaints. The review of such complaints provides opportunity for members to present their positions. Every attempt was made to resolve such matters expeditiously and fairly. <i>No court case filed related to any member dispute in the last three years.</i>
Evidences: Policy, TOR of Complaints and Mediation Committee				

Credit Union Label of Governance Excellence

ATTRIBUTES	1-Poor	2-Fair	3-Good	4-Excellent
		<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>
Consensus Building for a Decision	Decisions are commonly based on majority votes.	The Board as well as the committees work on a principle of consensus orientation by all the members reaching a common decision, NOT voting for a decision. With consensus building, better decisions reached, better implementation and better relations. Minutes of the meeting did show <i>minimal</i> (20%) voting for decisions in the past year.	The Board as well as the committees work on a principle of consensus orientation by all the members reaching a common decision, NOT voting for a decision. With consensus building, better decisions reached, better implementation and better relations. Minutes of the meeting did show any voting for decisions in the past year.	The Board as well as the committees work on a principle of consensus orientation by all the members reaching a common decision, NOT voting for a decision. With consensus building, better decisions reached, better implementation and better relations. Minutes of the meeting did not show any voting for decisions in the last three years.
Evidences: Policy and Minutes of meetings.				

Principle 5:
**EFFICIENCY
& EFFECTIVENESS**

Credit Union Label of Governance Excellence

ATTRIBUTES	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
EFFICIENCY & EFFECTIVENESS				
Outside employment	No policy. Violations exist on this premise.	Absence of policy stating that no outside employment of officers or employees which may constitute a conflict of interest is permitted such as employment with a competitor, employment as an auditor or accountant or practice of accounting profession, investment advisor, insurance broker or agent or acting as a real estate broker or agent. No policy also states that in the event outside employment bears adversely on the reputation or interests of the credit union or adversely affects the employee's job performance, he/she is asked to adjust or resign. <i>No violation is recorded in the past year.</i>	Policy states that no outside employment of officers or employees which may constitute a conflict of interest is permitted such as employment with a competitor, employment as an auditor or accountant or practice of accounting profession, investment advisor, insurance broker or agent or acting as a real estate broker or agent. The policy also states that in the event outside employment bears adversely on the reputation or interests of the credit union or adversely affects the employee's job performance, he/she is asked to adjust or resign. <i>No violation is recorded in the past year.</i>	Policy states that no outside employment of officers or employees which may constitute a conflict of interest is permitted such as employment with a competitor, employment as an auditor or accountant or practice of accounting profession, investment advisor, insurance broker or agent or acting as a real estate broker or agent. The policy also states that in the event outside employment bears adversely on the reputation or interests of the credit union or adversely affects the employee's job performance, he/she is asked to adjust or resign. <i>No violation is recorded in the last 3 years.</i>
Evidences: Code of Business ethics.				

Credit Union Label of Governance Excellence

	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
Loan to Members	No policy. Violations exist.	Absence of a policy that at no time shall any officer or employee represent that he/she has the authority to approve any application or commit or bind the Credit union in any manner unless specific lending authority has been conferred by the Board of Directors of the Credit union. <i>No violations recorded or reported in the past year.</i>	Presence of a policy that at no time shall any officer or employee represent that he/she has the authority to approve any application or commit or bind the Credit union in any manner unless specific lending authority has been conferred by the Board of Directors of the Credit union. <i>No violations recorded or reported in the past year.</i>	Presence of a policy that at no time shall any officer or employee represent that he/she has the authority to approve any application or commit or bind the Credit union in any manner unless specific lending authority has been conferred by the Board of Directors of the Credit union. <i>No violations recorded or reported in the last 3 years.</i>
Evidences: Code of Business Ethics				
Member loan documents	No policy. Violations exist.	Absence of policy stating that no officer or employee permitting or asking a loan applicant(s) to sign any document before it is properly completed. <i>No violations recorded or reported in the past year.</i>	Presence of policy stating that no officer or employee permitting or asking a loan applicant(s) to sign any document before it is properly completed. <i>No violations recorded or reported in the past year.</i>	Presence of policy stating that no officer or employee permitting or asking a loan applicant(s) to sign any document before it is properly completed. <i>No violations recorded or reported in the last 3 years.</i>
Evidences: Code of Business Ethics				

Credit Union Label of Governance Excellence

	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
Non-discrimination	No policy. Violations exist.	Absences of provision in the loan policy or Code of Business Ethics that no loans turned down from a loan applicant based on race, color, sex, religion marital status, national origin or applicant's age. <i>No violations recorded or reported in the past year.</i>	No loans turned down from a loan applicant based on race, color, sex, religion marital status, national origin or applicant's age as it is fully set forth in the Credit union's Nondiscrimination in Lending Policy. <i>No violations recorded or reported in the past year.</i>	No loans turned down from a loan applicant based on race, color, sex, religion marital status, national origin or applicant's age as it is fully set forth in the Credit union's Nondiscrimination in Lending Policy. <i>No violations recorded or reported in the last 3 years.</i>
Evidences: Loan policy and Code of Business Ethics				
Board and Staff Responsibilities	Overlapping in board and staff responsibilities constantly happens.	Overlapping of Board and staff responsibilities in the last 3 years. <i>(refer from the checklist of activities as basis of rating).</i>	No overlapping of Board and staff responsibilities in the past year. <i>(refer from the checklist of activities as basis of rating).</i>	No overlapping of Board and staff responsibilities in the last 3 years. <i>(refer from the checklist of activities as basis of rating).</i>
Evidences: Interview with the select staff and board using the checklist as reference.				

Credit Union Label of Governance Excellence

	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
Governance	<ul style="list-style-type: none"> ▪ Roles of Board and Manager are not clearly defined ▪ Board interferes in management function ▪ Board does not scrutinize budgets or audits, does not set performance targets and hold CEO accountable or does not operate according to formal procedures; executive, treasury and board functions unclear ▪ Size of the board reflects individual interest 	<ul style="list-style-type: none"> ▪ Limited definition of different roles of board and managers. ▪ board not functioning according to bylaws. ▪ limited budget reviews, occasionally sets organizational direction and targets and does not monitor potential conflicts of interest, scrutinize auditors, or reviews regulatory compliance ▪ Limited attempts to control size of board. ▪ does not regularly review CEO performance and not prepared to hire or fire CEO 	<ul style="list-style-type: none"> ▪ Roles of board and managers are clearly defined, and each party performs own role without interference. ▪ board reviews budgets, audits, regulatory compliance. ▪ size of board set for maximum effectiveness with rigorous nomination process. ▪ board co-defines performance targets and actively encourages CEO to meet targets. ▪ annual review of the CEO's performance 	<ul style="list-style-type: none"> ▪ Board and manager exhibit high degree of teamwork and combine well together from clear roles. ▪ board fully understands and fulfills fiduciary duties. ▪ size of board set for maximum effectiveness with rigorous nomination process. ▪ board actively defines performance targets and holds CEO accountable. ▪ board empowered and prepared to hire or fire CEO if necessary
Evidences: Business Plan, Policy on Board of Directors and Performance Appraisal of the Board				

Credit Union Label of Governance Excellence

	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
Delegation to CEO	A clear overlapping of functions and intervention of the Board in operations is obvious.	Meet some (50%) the delineation of responsibilities between the management and the Board as prescribed by the standard governance framework for credit unions.	Meet the delineation of responsibilities between the management and the Board as prescribed by the standard governance framework for credit unions. The practice is embedded in policies. This has been practiced in the last term of the Board.	Meet and exceeds the delineation of responsibilities between the management and the Board as prescribed by the standard governance framework for credit unions. The practice is embedded in policies. This has been consistently practiced in the last three terms of the Board.
Evidences: Assessment of the Board & Management Responsibilities (under the governance framework – Solution No. 14)				
CEO Qualification	The Board has no written basis or policy in hiring the appropriate person for the position.	The board do not use a guide for the ideal qualification needed for an effective CEO (see the attached guide). The current CEO mostly meets the criteria set in the guide.	The board uses a guide for the ideal qualification needed for an effective CEO (see the attached guide). The current CEO mostly meets the criteria set in the guide.	The board uses a guide for the ideal qualification needed for an effective CEO (see the attached guide). The current CEO meets the criteria set in the guide.
Evidences: policy on the recruitment of CEO, Job Description of the CEO				

Credit Union Label of Governance Excellence

	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
CEO Job Description	<p>The job description of the CEO <i>does not</i> possess major management functions on:</p> <ul style="list-style-type: none"> • Finance and operations • Products and services • Human resources • Facilities • Planning and governance (see sample guide for rating) 	<p>The job description of the CEO <i>fairly</i> possesses major management functions on:</p> <ul style="list-style-type: none"> • Finance and operations • Products and services • Human resources • Facilities • Planning and governance (see sample guide for rating) 	<p>The job description of the CEO <i>mostly</i> possesses major management functions on:</p> <ul style="list-style-type: none"> • Finance and operations • Products and services • Human resources • Facilities • Planning and governance (see sample guide for rating) 	<p>The job description of the CEO possesses major management functions on:</p> <ul style="list-style-type: none"> • Finance and operations • Products and services • Human resources • Facilities • Planning and governance (see sample guide for rating)
Evidences: Job Description of the CEO				
Committee Composition	Committee are elected or appointed from outside the Board.	Absence of a policy that the composition of the committees is representative of the Board and, where possible and appropriate, of staff and members of the community at large. The CEO or a delegated staff member is an ex-officio member of all committees.	As per policy, the composition of the committees is representative of the Board and, where possible and appropriate, of staff and members of the community at large. The CEO or a delegated staff member is an ex-officio member of all committees. Followed in the last term.	As per policy, the composition of the committees is representative of the Board and, where possible and appropriate, of staff and members of the community at large. The CEO or a delegated staff member is an ex-officio member of all committees. Followed in the last two terms.
Evidences: committee policy and terms of reference.				

Credit Union Label of Governance Excellence

	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
Functions of the Committee	No policy and committee not functioning as expected.	Absence of a policy stating that a committee's function is to bring the experience, expertise and judgment of a group of interested and informed persons to bear on a specific area of the CU's responsibility. Its job is to assist the Board by considering matters in greater depth. <i>Consistently followed in the past term.</i>	The policy is states that a committee's function is to bring the experience, expertise and judgment of a group of interested and informed persons to bear on a specific area of the CU's responsibility. Its job is to assist the Board by considering matters in greater depth. <i>Consistently followed in the past term.</i>	The policy is states that a committee's function is to bring the experience, expertise and judgment of a group of interested and informed persons to bear on a specific area of the CU's responsibility. Its job is to assist the Board by considering matters in greater depth. <i>Consistently followed in the last 3 terms.</i>
	Evidences: TOR of the committee, minutes of the meeting and reports			
Terms of Reference of the Committees	Committee has no TOR, only those in the bylaws.	Incomplete TOR to describe the committee advisory function to the board. No authority to direct staff though the board ask CEO to allocate staff resources. Except for those in the bylaws, the board appoints committee annually for one-year term or co-terminus with the Board's term. <i>Consistently followed in the past term.</i>	TOR is properly describing the committee has advisory function to the board and with a specific purpose. No authority to direct staff though the board ask CEO to allocate staff resources. Except for those in the bylaws, the board appoints committee annually for one-year term or co-terminus with the Board's term. <i>Consistently followed in the past term.</i>	TOR is properly describing the committee has advisory function to the board and with a specific purpose. No authority to direct staff though the board ask CEO to allocate staff resources. Except for those in the bylaws, the board appoints committee annually for one-year term or co-terminus with the Board's term. <i>Consistently followed in the last 3 terms.</i>
	Evidences: TOR and bylaws.			

Credit Union Label of Governance Excellence

	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
Relationship of the Committee with Board and Staff	A consistent overlapping of functions and responsibilities are prevalent in the last three years.	Committees advise the Board or the CEO or but do not exercise authority over staff and will ordinarily have no direct dealing with staff operations. Committee members know and respect the distinction between Board and staff responsibilities. Communications between Board and Staff, outside of committee meetings, shall be through the CEO. <i>In past three years, minor overlapping of responsibilities was detected.</i>	Committees advise the Board or the CEO or but do not exercise authority over staff and will ordinarily have no direct dealing with staff operations. Committee members know and respect the distinction between Board and staff responsibilities. Communications between Board and Staff, outside of committee meetings, shall be through the CEO. <i>In the past year, no instance of overlapping responsibilities</i>	Committees <i>consistently</i> advise the Board or the CEO or but do not exercise authority over staff and will ordinarily have no direct dealing with staff operations. Committee members know and respect the distinction between Board and staff responsibilities. Communications between Board and Staff, outside of committee meetings, shall be through the CEO. <i>Over a period of three years, no instance of overlapping responsibilities.</i>
Evidences:				

Credit Union Label of Governance Excellence

	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
Executive Committee Function	The role of the committee is not performed according to Bylaws. No policy or procedure that support the committee functions.	<i>As per Bylaw, the committee make decisions between Board meetings. Such decisions are subject to ratification by the Board at its next meeting. The Committee also has responsibility for the annual performance evaluation of the CEO and for making recommendations to the Board continuing tenure and compensation. Performed by the committee in the past year.</i>	<i>As per Bylaw and supporting policy, the committee make decisions between Board meetings. Such decisions are subject to ratification by the Board at its next meeting. The Committee also has responsibility for the annual performance evaluation of the CEO and for making recommendations to the Board continuing tenure and compensation. Inconsistently performed by the committee in the last 3 years.</i>	<i>As per Bylaw and supporting policy and procedures, the committee make decisions between Board meetings. Such decisions are subject to ratification by the Board at its next meeting. The Committee also has responsibility for the annual performance evaluation of the CEO and for making recommendations to the Board continuing tenure and compensation. Consistently performed by the committee in the last 3 years.</i>
Evidences: Bylaws, policies and minutes of the meeting of the Executive Committee				

Credit Union Label of Governance Excellence

	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
Nominating Committee or Election Committee	No policy, the committee elected by the AGM rely on the Bylaws.	<p><i>Absence of a policy that the committee members are elected by the AGM. Responsibilities are:</i></p> <ul style="list-style-type: none"> a) Developing and recommending to the Board the skills, experience and diversity criteria for directors necessary to ensure balanced community representation and effective governance. b) Identifying, interviewing and checking references on prospective candidates for vacant positions on the Board of Directors. c) Recommending, to the Board or membership, candidates suitable, according to the approved criteria, to fill director vacancies. <p>Ensuring that board members receive proper orientation to their responsibilities.</p>	<p><i>Presence of a policy that the committee members are elected by the AGM. Responsibilities are:</i></p> <ul style="list-style-type: none"> d) Developing and recommending to the Board the skills, experience and diversity criteria for directors necessary to ensure balanced community representation and effective governance. e) Identifying, interviewing and checking references on prospective candidates for vacant positions on the Board of Directors. f) Recommending, to the Board or membership, candidates suitable, according to the approved criteria, to fill director vacancies. <p>Ensuring that board members receive proper orientation to their responsibilities.</p>	<p><i>Presence of a policy that the Past Chair of the Board chairs the Committee, which includes the CEO as a non-voting member. The Board annually names other members to the committee. These may include representatives from the general membership. Responsibilities are:</i></p> <ul style="list-style-type: none"> g) Developing and recommending to the Board the skills, experience and diversity criteria for directors necessary to ensure balanced community representation and effective governance. h) Identifying, interviewing and checking references on prospective candidates for vacant positions on the Board of Directors. i) Recommending, to the Board or membership, candidates suitable, according to the approved criteria, to fill director vacancies. j) Ensuring that board members receive proper orientation to their responsibilities.
	Evidences: Election committee TOR, Bylaws and policies.			

Credit Union Label of Governance Excellence

	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
Audit Supervisory Committee	No policy and irregular audits by the committee.	<i>Despite absence of policy, the committee performs internal control reviews, compliance with the bylaws and policies, annual audits and bi-annual member account verifications. All officials are unpaid volunteers. The committee performs at least quarterly audit in the past year.</i>	<i>As per policy, the committee performs internal control reviews, compliance with the bylaws and policies, annual audits and bi-annual member account verifications. All officials are unpaid volunteers. The committee performs at least quarterly audit in the past year.</i>	<i>As per policy, the committee performs internal control reviews, compliance with the bylaws and policies, annual audits and bi-annual member account verifications. All officials are unpaid volunteers. The committee performs at least quarterly audit in the last 3 years.</i>
Evidences: Audit Supervisory Committee TOR, policy, audit reports of the committee				

Credit Union Label of Governance Excellence

	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
Credit Committee	No policy, the committee rely on the bylaws on the performance of their functions.	<p><i>In the absence of a policy, the committee oversee the extension of credit to the members and ensure a quality loan portfolio. The committee ensures that these functions are carried out within:</i></p> <ul style="list-style-type: none"> ▪ The parameters of sound credit and financial management. ▪ The organizational objectives and operating policy; and ▪ The criteria established by legislation and regulation <p><i>The committee performs this role consistently in the last 1 term.</i></p>	<p><i>Based on the policy, the committee oversee the extension of credit to the members and ensure a quality loan portfolio. The committee ensures that these functions are carried out within:</i></p> <ul style="list-style-type: none"> ▪ The parameters of sound credit and financial management. ▪ The organizational objectives and operating policy; and ▪ The criteria established by legislation and regulation <p><i>The committee performs this role consistently in the last 1 term.</i></p>	<p><i>Based on the policy, the committee oversee the extension of credit to the members and ensure a quality loan portfolio. The committee ensures that these functions are carried out within:</i></p> <ul style="list-style-type: none"> ▪ The parameters of sound credit and financial management. ▪ The organizational objectives and operating policy; and ▪ The criteria established by legislation and regulation <p><i>The committee performs this role consistently in the last 2 terms.</i></p>
Evidences: Bylaws, policies and report of the committee.				

Credit Union Label of Governance Excellence

	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
Governance and Ethics Committee	Absence of a policy. The committee rely on the bylaws to perform their functions.	<p>In the absence of a per policy, the committee functions:</p> <ul style="list-style-type: none"> a) formulate, issue and implement code of ethics and governance framework governing the manner and conduct of all officers, employees as approved by General Assembly. b) hear, mediate, conciliate, and decide all intra-cooperative disputes between and/or among members, and officers. c) Subject AGM approval, issue supplemental rules and procedures concerning conciliation processes as may be deemed necessary; and d) exercise such other powers as may be necessary to ensure speedy, just, equitable and inexpensive settlement of disputes <p><i>The committee performs this role consistently in the last 1 term.</i></p>	<p>As per policy, the committee functions:</p> <ul style="list-style-type: none"> e) formulate, issue and implement code of ethics and governance framework governing the manner and conduct of all officers, employees as approved by General Assembly. f) hear, mediate, conciliate, and decide all intra-cooperative disputes between and/or among members, and officers. g) Subject AGM approval, issue supplemental rules and procedures concerning conciliation processes as may be deemed necessary; and h) exercise such other powers as may be necessary to ensure speedy, just, equitable and inexpensive settlement of disputes <p><i>The committee performs this role consistently in the last 1 term.</i></p>	<p>As per policy, the committee functions:</p> <ul style="list-style-type: none"> i) formulate, issue and implement code of ethics and governance framework governing the manner and conduct of all officers, employees as approved by General Assembly. j) hear, mediate, conciliate, and decide all intra-cooperative disputes between and/or among members, and officers. k) Subject AGM approval, issue supplemental rules and procedures concerning conciliation processes as may be deemed necessary; and l) exercise such other powers as may be necessary to ensure speedy, just, equitable and inexpensive settlement of disputes <p><i>The committee performs this role consistently in the last 2 terms.</i></p>
Evidences: Bylaws, policies, TOR of the committee and report				

Credit Union Label of Governance Excellence

	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
Other Committees	No policy and no clear TOR.	Despite no policy, the Board form ad hoc committees from time to time. The Board determine the size, membership, and chair of each ad hoc committee. Generally, the chairs and most members of such committees are Independent Directors. The Board appoint the Chief Executive Officers or members of Management as ex officio members of such ad hoc committees. The committee functions based on the TOR prepared by the Board. <i>This has been consistently observed in the last term of the board.</i>	As per policy, the Board form ad hoc committees from time to time. The Board determine the size, membership, and chair of each ad hoc committee. Generally, the chairs and most members of such committees are Independent Directors. The Board appoint the Chief Executive Officers or members of Management as ex officio members of such ad hoc committees. The committee functions based on the TOR prepared by the Board. <i>This has been consistently observed in the last term of the board.</i>	As per policy, the Board form ad hoc committees from time to time. The Board determine the size, membership, and chair of each ad hoc committee. Generally, the chairs and most members of such committees are Independent Directors. The Board appoint the Chief Executive Officers or members of Management as ex officio members of such ad hoc committees. The committee functions based on the TOR prepared by the Board. <i>This has been consistently observed in the last two terms of the board.</i>
Evidences: Terms of Reference and policy, report of the Ad hoc committee formed.				

Credit Union Label of Governance Excellence

	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
Nomination and selection of directors	No Policy. The candidates were not interviewed by the nominating committee.	<i>Absence of a policy that due consideration given to the Board's overall balance of diversity of perspectives, backgrounds and experiences. Majority of the members of the Nominating Committee will have interviewed any potential nominee. Consistently observed in the past year.</i>	<i>Presence of a policy that due consideration given to the Board's overall balance of diversity of perspectives, backgrounds and experiences. It is the Board's policy that a majority of the members of the Nominating Committee will have interviewed any potential nominee. Consistently observed in the past year.</i>	<i>Presence of a policy that due consideration given to the Board's overall balance of diversity of perspectives, backgrounds and experiences. It is the Board's policy that a majority of the members of the Nominating Committee will have interviewed any potential nominee. Consistently observed in the last 3 years.</i>
Evidences: Election or Nomination Policy				

Credit Union Label of Governance Excellence

	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
Diversity of Skills and experience	No policy. No diversity in the Board of directors.	<p><i>Absence</i> of a recruitment matrix that follows these skills and experiences:</p> <ul style="list-style-type: none"> a) demographics (geography, race, gender, age, abilities) b) skills and experience (accounting, legal, public relations, finance, management), and c) experience (Board work, Volunteer work, activism, business, government) <p>However, in the absence of policy, an effort was exerted to have diversity as observed <i>in the past Board elections.</i></p>	<p><i>Presence</i> of a recruitment matrix that follows these skills and experiences:</p> <ul style="list-style-type: none"> d) demographics (geography, race, gender, age, abilities) e) skills and experience (accounting, legal, public relations, finance, management), and f) experience (Board work, Volunteer work, activism, business, government) <p>The policy has been observed consistently <i>in the past Board elections.</i></p>	<p><i>Presence</i> of a recruitment matrix that follows these skills and experiences:</p> <ul style="list-style-type: none"> g) demographics (geography, race, gender, age, abilities) h) skills and experience (accounting, legal, public relations, finance, management), and i) experience (Board work, Volunteer work, activism, business, government) <p>The policy has been observed consistently <i>in the last 3 Board elections.</i></p>
	Evidences: Board election policy			

Credit Union Label of Governance Excellence

	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
Board Performance Evaluation	No objective performance evaluation done.	Performed irregularly, the Board evaluation is <i>fairly</i> based on the following performance criteria: <ul style="list-style-type: none"> • Decision making • Advisory • Trustee • Participation • Symbolic (see sample rating) 	Performed annually, the Board evaluation is <i>mostly</i> based on the following performance criteria: <ul style="list-style-type: none"> • Decision making • Advisory • Trustee • Participation • Symbolic (see sample rating) 	Performed annually, the Board evaluation is based on the following performance criteria: <ul style="list-style-type: none"> • Decision making • Advisory • Trustee • Participation • Symbolic (see sample rating)
	Evidences: Performance evaluation			
CEO Performance Evaluation	No objective performance evaluation done.	The CEO is evaluation is <i>fairly</i> based on the following performance criteria: <ul style="list-style-type: none"> • Finance and operations • Products and services • Human resources • Facilities • Planning and governance (see sample guide for rating) 	The CEO is evaluation is <i>mostly</i> based on the following performance criteria: <ul style="list-style-type: none"> • Finance and operations • Products and services • Human resources • Facilities • Planning and governance (see sample guide for rating) 	The CEO is evaluation based on the following performance criteria: <ul style="list-style-type: none"> • Finance and operations • Products and services • Human resources • Facilities • Planning and governance (see sample guide for rating)
	Evidences: Performance evaluation			

Principle 6:
EQUITY
& INCLUSIVENESS

Credit Union Label of Governance Excellence

ATTRIBUTES	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
EQUITY & INCLUSIVENESS				
Influence on independent appraisal	No policy is in place and violations exist.	<i>Absence of a policy that no officer or employee brings pressure on appraisers to reach values necessary to qualify the property/borrower. No violation recorded in the past year.</i>	<i>Presence of a policy that no officer or employee brings pressure on appraisers to reach values necessary to qualify the property/borrower. No violation recorded in the past year.</i>	<i>Presence of a policy that no officer or employee brings pressure on appraisers to reach values necessary to qualify the property/borrower. No violation recorded in the last 3 years.</i>
	Evidences: Lending policy and Code of Business Ethics			
Fees and Penalties	No policy, violations exist.	<i>Absence of a policy that Directors and Employees interest on loans and savings, fees assessed for late payment or for overdrawn demand deposit accounts are same as those charged to members and not be waived. Overdrawn demand deposit accounts are brought to the attention of the COO or CEO. No violations documented in the past year.</i>	<i>Presence of a policy that Directors and Employees interest on loans and savings, fees assessed for late payment or for overdrawn demand deposit accounts are same as those charged to members and not be waived. Overdrawn demand deposit accounts are brought to the attention of the COO or CEO. No violations documented in the past year.</i>	<i>Presence of a policy that Directors and Employees interest on loans and savings, fees assessed for late payment or for overdrawn demand deposit accounts are same as those charged to members and not be waived. Overdrawn demand deposit accounts are brought to the attention of the COO or CEO. No violations documented in the last 3 years.</i>
	Evidences: Lending policy and Code of Business Ethics			

Credit Union Label of Governance Excellence

ATTRIBUTES	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
Purchase or sale of property with affiliated person	No policy, violations exist.	<i>Absence of a policy stating that any purchase from or sale to an affiliated person of any property real or personal are based on a value from an independent outside appraiser. The transaction was voted upon by the Board of Directors with the affiliated person abstaining. No violations documented in the past year.</i>	<i>Presence of a policy stating that any purchase from or sale to an affiliated person of any property real or personal are based on a value from an independent outside appraiser. The transaction was voted upon by the Board of Directors with the affiliated person abstaining. No violations documented in the past year.</i>	<i>Presence of a policy stating that any purchase from or sale to an affiliated person of any property real or personal are based on a value from an independent outside appraiser. The transaction was voted upon by the Board of Directors with the affiliated person abstaining. No violations documented in the last 3 years.</i>
	Evidences:			
Equitable and timely dividends payment	No policy. Dividends paid below market rate; institutional capital is less than 10% of the total assets.	<i>Absence of a policy that dividend is to be paid at market rate which is not compromising growth of the institutional capital to the required level of minimum 10% of the total assets. This has been observed in the past year.</i>	<i>Presence of a policy that dividend is to be paid at market rate which is not compromising growth of the institutional capital to the required level of minimum 10% of the total assets. This has been observed in the past year.</i>	<i>Presence of a policy that dividend is to be paid at market rate which is not compromising growth of the institutional capital to the required level of minimum 10% of the total assets. This has been observed in the last 3 years.</i>
	Evidences: Dividend policy and financial statements.			

Credit Union Label of Governance Excellence

ATTRIBUTES	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
Only for Community Based Credit Unions				
Diversity of Membership	Concentrated on 3 of the following segments: 1. Professional/Technical 2. Upper Management/Executive 3. Middle Management 4. Sales/Marketing 5. Clerical/Service Worker 6. Tradesman/Machine Operator/Laborer 7. Small Entrepreneurs 8. Unemployed 9. Ethnic groups	Concentrated on 4 of the following segments: 1. Professional/Technical 2. Upper Management/Executive 3. Middle Management 4. Sales/Marketing 5. Clerical/Service Worker 6. Tradesman/Machine Operator/Laborer 7. Small Entrepreneurs 8. Unemployed 9. ethnic groups	Spread over 5-8 segments: 1. Professional/Technical 2. Upper Management/Executive 3. Middle Management 4. Sales/Marketing 5. Clerical/Service Worker 6. Tradesman/Machine Operator/Laborer 7. Small Entrepreneurs 8. Unemployed 9. ethnic groups	Spread over all the following segments: 1. Professional/Technical 2. Upper Management/Executive 3. Middle Management 4. Sales/Marketing 5. Clerical/Service Worker 6. Tradesman/Machine Operator/Laborer 7. Small Entrepreneurs 8. Unemployed 9. ethnic groups
	Evidence: Data of Members' demographics			

Credit Union Label of Governance Excellence

ATTRIBUTES	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
Only for Institutional Credit Unions				
Diversity of Membership	Concentrated on 2 of the following segments: <ol style="list-style-type: none"> 1. Executives (GM, CEO, President) 2. Senior Executives (Deputies, COO, Department Heads, Cashier, Treasurer equivalent post) 3. Assistant Department Manager, Unit Head, Executive Secretary, Accountant or equivalent post 4. Loan Clerk, Bookkeeper or equivalent post 5. Office helper, driver and equivalent post 	Concentrated on 3 of the following segments: <ol style="list-style-type: none"> 1. Executives (GM, CEO, President) 2. Senior Executives (Deputies, COO, Department Heads, Cashier, Treasurer equivalent post) 3. Assistant Department Manager, Unit Head, Executive Secretary, Accountant or equivalent post 4. Loan Clerk, Bookkeeper or equivalent post 5. Office helper, driver and equivalent post 	Spread over 4 the following segment: <ol style="list-style-type: none"> 1. Executives (GM, CEO, President) 2. Senior Executives (Deputies, COO, Department Heads, Cashier, Treasurer equivalent post) 3. Assistant Department Manager, Unit Head, Executive Secretary, Accountant or equivalent post 4. Loan Clerk, Bookkeeper or equivalent post 5. Office helper, driver and equivalent post 	Spread over all the following segments: <ol style="list-style-type: none"> 1. Executives (GM, CEO, President) 2. Senior Executives (Deputies, COO, Department Heads, Cashier, Treasurer equivalent post) 3. Assistant Department Manager, Unit Head, Executive Secretary, Accountant or equivalent post 4. Loan Clerk, Bookkeeper or equivalent post 5. Office helper, driver and equivalent post
Evidence: Data of Members' demographics				

Principle 7:
**RESPECT FOR RULES, POLICIES
& REGULATIONS**

Credit Union Label of Governance Excellence

ATTRIBUTES	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
RESPECT FOR RULES, POLICIES & REGULATIONS				
Relationships with Regulators	No policy.	All officers and employees promptly and honestly respond to inquiries by regulators (examiners, supervisors, auditors). No concealment of pertinent information by officers and employees. Not stipulated in the policy, not disseminated within the organization, not monitored.	All officers and employees promptly and honestly respond to inquiries by regulators (examiners, supervisors, auditors). No concealment of pertinent information by officers and employees. It's stipulated in the policy, fully disclosed to members and public, <i>irregularly</i> monitored by the Audit Supervisory Committee and no violations found.	All officers and employees promptly and honestly respond to inquiries by regulators (examiners, supervisors, auditors). No concealment of pertinent information by officers and employees. It's stipulated in the policy, fully disclosed to members and public, <i>regularly</i> monitored by the Audit Supervisory Committee and no violations found.
Evidences: Code of Ethics or policy; Report of the Audit Supervisory Committee, Legal Survival Kit to monitor the compliance required.				

Credit Union Label of Governance Excellence

ATTRIBUTES	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
Consumer Protection Act	No policy.	<i>Absence of a policy adopting the consumer protection act aimed to protect and promote the well-being and/or financial interests of consumers or members. Consumer-member protection measures, including education, mobilization and representation, work to ensure that members can make well-informed decisions about their choices. Randomly practicing consumer protection.</i>	<i>Presence of a policy adopting the consumer protection act aimed to protect and promote the well-being and/or financial interests of consumers or members. Consumer-member protection measures, including education, mobilization and representation, work to ensure that members can make well-informed decisions about their choices. The consumer protection is in the policy or in the Statement of Responsible Lending which has been consistently applied last year.</i>	<i>Presence of a policy adopting the consumer protection act aimed to protect and promote the well-being and/or financial interests of consumers or members. Consumer-member protection measures, including education, mobilization and representation, work to ensure that members can make well-informed decisions about their choices. The consumer protection is in the policy or in the Statement of Responsible Lending which has been consistently applied in at least the last 3 years.</i>
Evidences: Lending policy, Membership policy, Education Policy or Statement of Responsible Lending				

Credit Union Label of Governance Excellence

ATTRIBUTES	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
Equal Employment opportunity	No policy. Labor dispute documented in the last 10 years.	HR Policy partly follows the provisions of the country labor laws on hiring, compensation and benefits, development, promotion and retirement of employees. <i>No labor case filed against the credit union in the last 10 years.</i>	<i>HR Policy follows all the provisions of the country labor laws on hiring, compensation and benefits, development, promotion and retirement of employees. This has been consistently since last year. No labor case filed against the credit union in the last 10 years.</i>	HR policy follows all the provisions of the country labor laws such as hiring, compensation and benefits, development, promotion and retirement of employees. <i>This has been consistently applied in at least the last 3 years. No labor case filed against the credit union in the last 10 years.</i>
Evidences: Labor law, HR Policy, legal complains, Legal Survival Kit				
Tax Laws	Not able to meet the tax requirements.	Partly meets all the tax requirements per Taxation law. <i>No pending tax case in the last 10 years.</i>	Meets all the tax requirements per Taxation law. <i>This has been consistently applied last year. No pending tax case in the last 10 years.</i>	Meets and exceeds (never late) all the tax requirements per Taxation law. <i>This has been consistently applied in at least the last 3 years. No pending tax case in the last 10 years.</i>
Evidences: Taxation Law, Financial Statements, Legal Survival Kit				

Credit Union Label of Governance Excellence

ATTRIBUTES	1-Poor	2-Fair	3-Good	4-Excellent
		<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>
Compliance with local ordinance	<i>Do not comply local ordinances in which the credit union operates. (Examples: permit to operate, building codes, garbage and other environmental issues, as well as noise and other nuisances.</i>	<i>Partly complies with local ordinances in which the credit union operates. (Examples: permit to operate, building codes, garbage and other environmental issues, as well as noise and other nuisances.</i>	<i>Meets compliance with all local ordinances in which the credit union operates. (Examples: permit to operate, building codes, garbage and other environmental issues, as well as noise and other nuisances. Consistently complied with in the last year.</i>	<i>Meets and exceeds compliance with all local ordinances in which the credit union operates. (Examples: permit to operate, building codes, garbage and other environmental issues, as well as noise and other nuisances. Consistently complied with in the last 3 years and received recognition from the local government.</i>
Evidences: Local ordinance, Legal Survival Kit				
International or National Financial reporting Standards	<i>Does not meet requirements of Board assertions to financial statements – existence, completeness, valuation, rights and obligation and presentation and disclosure. Does not follow standard recognition of delinquency and insufficient provisions on loan losses.</i>	<i>Partly meets requirements of Board assertions to financial statements – existence, completeness, valuation, rights and obligation and presentation and disclosure. Ensures appropriate recognition of delinquency is followed and striving to allocate sufficient provisions is made thereafter.</i>	<i>Meets the requirements of Board assertions to financial statements – existence, completeness, valuation, rights and obligation and presentation and disclosure. Ensures appropriate recognition of delinquency is followed, and sufficient provisions is made thereafter. Observed in the last year.</i>	<i>Meets and exceeds the requirements of Board assertions to financial statements – existence, completeness, valuation, rights and obligation and presentation and disclosure. Ensures appropriate recognition of delinquency is followed, and sufficient provisions is made thereafter. Consistently observed in the last 3 years.</i>
Evidences: National Financial reporting standards, financial statements, and financial policies				

Credit Union Label of Governance Excellence

ATTRIBUTES	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
Legal tax advice	No policy guidance and known instances exist.	In their capacity as Directors and employees, any discussion which could be interpreted as giving legal advice are avoided. Officers and employees do not give tax advice to members. No policy.	In their capacity as Directors and employees, any discussion which could be interpreted as giving legal advice are avoided. Officers and employees do not give tax advice to members. This is covered by the Code of Ethics or policy. <i>No known cases of members received advise from directors or employees in the past year.</i>	In their capacity as Directors and employees, any discussion which could be interpreted as giving legal advice are avoided. Officers and employees do not give tax advice to members. This is covered by the Code of Ethics or policy. No known cases of members received advise from directors or employees in the last 3 years.
Evidences: Code of business ethics and policy				

Credit Union Label of Governance Excellence

ATTRIBUTES	1-Poor	2-Fair	3-Good	4-Excellent
		<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>
Third party loan benefiting affiliated person	No policy, violations exist.	<i>Absence of a policy stating that no loan transactions with third parties which include affiliated persons wherein the affiliated person benefits. No violations documented in the past year.</i>	<i>Presence of a policy stating that no loan transactions with third parties which include affiliated persons wherein the affiliated person benefits. No violations documented in the past year.</i>	<i>Presence of a policy stating that no loan transactions with third parties which include affiliated persons wherein the affiliated person benefits. No violations documented in the last 3 years.</i>
Evidences: Lending Policy and Code of Business Ethics				
AGM Timing	No policy. Meeting not conducted within the timeframe provided by law.	<i>Absence of policy indicating the AGM must be convened within the timeframe specified in the law i.e. 90 days after the calendar/fiscal year. The meeting is conducted on time in the past year.</i>	<i>Presence of policy indicating the AGM must be convened within the timeframe specified in the law i.e. 90 days after the calendar/fiscal year. The meeting is conducted on time in the past year.</i>	<i>Presence of policy indicating the AGM must be convened within the timeframe specified in the law i.e. 90 days after the calendar/fiscal year. The meeting is conducted on time in the last 3 years.</i>
Evidences: Minutes of the AGM and Attendance sheet				
AGM Notice of Meeting	No Policy. Meeting is announced less than one month prior to the meeting.	<i>Absence of the policy that the meeting must be announced at one month prior to the meeting. Compliance within the required announcement time in the past year.</i>	<i>Presence of the policy that the meeting must be announced at least two months prior to the meeting. Compliance within the required announcement time in the past year.</i>	<i>Presence of the policy that the meeting must be announced at least two months prior to the meeting. Compliance within the required announcement time in the last 3 years.</i>
Evidences: Notice of meeting sent out to members.				

Credit Union Label of Governance Excellence

ATTRIBUTES	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
Minutes of meeting	More than 45 days, minutes containing the procedures and results of business transactions at the general meeting/special general meeting are documented and signed by the Secretary and sealed by the chairperson and not fewer than three members who have been elected at the meeting. The meeting file is incomplete.	Between 31 to 45 days, minutes containing the procedures and results of business transactions at the general meeting/special general meeting well documented and signed by the Secretary and sealed by the chairperson and not fewer than three members who have been elected at the meeting. Past minutes are in folders, kept in a secure place.	Between 16 to 30 days, minutes containing the procedures and results of business transactions at the general meeting/special general meeting well documented and signed by the Secretary and sealed by the chairperson and not fewer than three members who have been elected at the meeting. Past minutes are book binded, kept in a secure place.	Within 15 days after each meeting, minutes containing the procedures and results of business transactions at the general meeting/special general meeting are well documented and signed by the Secretary and sealed by the chairperson and not fewer than three members who have been elected at the meeting. Past minutes are book binded, kept in a secure place.
Evidences: Compilation of the minutes of the meetings				

**Principle 8:
STRATEGIC
& VISIONARY LEADERSHIP**

Credit Union Label of Governance Excellence

ATTRIBUTES	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
STRATEGIC & VISIONARY LEADERSHIP				
Prime Decision Center	<ul style="list-style-type: none"> ▪ No policy manual ▪ No strategic plan 	<ul style="list-style-type: none"> ▪ The Board has ultimate authority and responsibility for the management; ▪ Incomplete policy manual ▪ Strategic plan developed but not translated into operation 	<ul style="list-style-type: none"> ▪ The Board has ultimate authority and responsibility for the management; ▪ Comprehensive policies in place and reviewed annually; ▪ Strategic plan fully developed with action plan and follow-up through monitoring at monthly meetings 	<p>In consultation with the management,</p> <ul style="list-style-type: none"> ▪ The Board has ultimate authority and responsibility for the management; ▪ Comprehensive policies in place and reviewed annually; ▪ Strategic plan fully developed with action plan and follow-up through monitoring at monthly meetings ▪ Board meetings regularly review external operating environment and response in timely fashion to changing circumstances
	Evidences: Policies, Strategic Plan, Board meeting minutes			

Credit Union Label of Governance Excellence

	1-Poor	2-Fair	3-Good	4-Excellent
LEADERSHIP	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
Advisory	<ul style="list-style-type: none"> ▪ The Board does not act in an advisory capacity for management, sub-committees and membership; ▪ does not advise members of the need for changes in lending policies, bylaws and even market strategies. ▪ does not act as advisory group to others, does not review decisions or actions they have taken. 	<ul style="list-style-type: none"> ▪ The Board acts in an advisory capacity for management, sub-committees and membership; ▪ lack in giving advice to members of the need for changes in lending policies, bylaws and even market strategies. ▪ lack the reviewing of decisions or actions they have taken. 	<ul style="list-style-type: none"> ▪ The Board acts in an advisory capacity for management, sub-committees and membership; ▪ advice members of the need for changes in lending policies, bylaws and even market strategies. ▪ act as advisory group to others, reviewing decisions or actions they have taken. 	<ul style="list-style-type: none"> ▪ The Board acts in an advisory capacity for management, sub-committees and membership; ▪ consistently advise members of the need for changes in lending policies, bylaws and even market strategies. ▪ act as advisory group to others, consistently reviewing decisions or actions they have taken.
Evidences: Examine the changes in the Bylaws and policies				

Credit Union Label of Governance Excellence

	1-Poor	2-Fair	3-Good	4-Excellent
LEADERSHIP	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
Perpetuating	<ul style="list-style-type: none"> ▪ Does not ensure the members of the Board and sub-committees are competent and understand their roles and responsibilities; ▪ the Board does not encourage training and development of all officers to ensure their effectiveness; ▪ less than 50% of the Board and committees do not attend competency training (CUDCC) 	<ul style="list-style-type: none"> ▪ Board and sub-committees have limited understanding of/and competence in performing their roles and responsibilities; ▪ Limited training and development of all officers to ensure their effectiveness; ▪ 50-79% of the Board and committees have completed competency course program (CUDCC) 	<ul style="list-style-type: none"> ▪ Provide for the continuity of credit union by ensuring the members of the Board and sub-committees are competent and understand their roles and responsibilities; ▪ the Board requires training and development of all officers to ensure their effectiveness; ▪ 80% or more of the Board and committees have completed competency course program (CUDCC) 	<ul style="list-style-type: none"> ▪ Provide for the continuity of credit union by ensuring the members of the Board and sub-committees are competent and understand their roles and responsibilities; ▪ Continuous professional training is a must for all officers to ensure their effectiveness; ▪ 100% the Board and committees have completed competency course program (CUDCC)
Evidences: Certificates of the Board of Directors on their completion of the Competency course				

Credit Union Label of Governance Excellence

	1-Poor	2-Fair	3-Good	4-Excellent
LEADERSHIP	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
Symbolic	<ul style="list-style-type: none"> ▪ Below 50% of the Board are good borrowers, savers; majority are delinquent borrowers. ▪ the board self-interest prevails than their functions; ▪ does not perform their functions professionally and with integrity; ▪ The Board is not a symbol of strength and leadership in the credit union and community 	<ul style="list-style-type: none"> ▪ The Board is fair in the leadership and strength portrayed in the credit union and community; ▪ performs their functions with a degree of professionalism and integrity but still unable to balance self-interest against board functions; ▪ 75% of the Board are good borrowers, savers and not delinquent. 	<ul style="list-style-type: none"> ▪ The Board is considered as a symbol of strength and leadership in the credit union and community; ▪ Perform their functions with professionalism and integrity and moral values; ▪ Borrowing Boards are not delinquent and good savers. 	<ul style="list-style-type: none"> ▪ The Board is considered as a symbol of strength and leadership in the credit union and community; ▪ perform their functions with high degree of professionalism and integrity and high moral values; ▪ Borrowing Boards & their related parties are not delinquent and good savers. and related parties are good borrowers, savers and not delinquent. ▪ Constantly striving for best practice as cooperative leaders
Evidences: Directors, Officers, Staff, and Related Interest reports				

Credit Union Label of Governance Excellence

ATTRIBUTES	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
Trustee Function	<ul style="list-style-type: none"> ▪ The Board pursue individual interest at expense of members (related party interest) ▪ does not monitor or review loan portfolio ▪ no risk management policy in place ▪ loan delinquency is more than 10% of the loan portfolio 	<ul style="list-style-type: none"> ▪ The Board represents the member shareholders but occasionally pursues individual interest ▪ irregular monitoring and reviewing of loan portfolio and investments ▪ limited risk management policy in place ▪ loan delinquency is 6-10% of the loan portfolio 	<ul style="list-style-type: none"> ▪ The Board consistently puts the needs of members first ▪ Consistently supervising and monitoring the loan portfolio, ▪ Maintains policies with special emphasis on limiting/controlling undue risk exposure ▪ loan delinquency is 3-5% of the loan portfolio 	<ul style="list-style-type: none"> ▪ The Board consistently puts the needs of members first ▪ Consistently supervising and monitoring the loan portfolio, ▪ Maintains policies with special emphasis on limiting/controlling undue risk exposure ▪ Constantly strives to achieve best practice in performance of trustee function ▪ loan delinquency is 2% and below of the loan portfolio
Evidences: Financial Statements, and Loan Portfolio report				

Principle 9:
KNOWLEDGE & SKILLS
in LEADERSHIP

Credit Union Label of Governance Excellence

ATTRIBUTES	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
KNOWLEDGE & SKILLS in LEADERSHIP				
Capacity Based Lending	Employees and officers do not use integrity in evaluating the completeness and accuracy of loan to determine that the borrower is able to repay the loan. <i>Delinquency is maintained at average above 10% in the last 3 years.</i>	Employees and officers use integrity in evaluating the completeness and accuracy of loan to determine that the borrower is able to repay the loan. <i>Delinquency is maintained at average of above 5% to 10% in the last 3 years.</i>	Employees and officers use integrity in evaluating the completeness and accuracy of loan to determine that the borrower is able to repay the loan. <i>Delinquency is maintained at average 3- 5% in the last 3 years.</i>	Employees and officers use integrity in evaluating the completeness and accuracy of loan to determine that the borrower is able to repay the loan. <i>Delinquency is maintained at average 2% in the last 3 years.</i>
	Evidences: Loan portfolio, lending policy, financial statements			
Guiding and coaching	Board does not coach, help, inspire, motivate and stimulate, is not action-oriented, and does not evaluate management & members	Limited Board that coaches, helps, inspires, motivates and stimulates, is action-oriented, but does not evaluate management & members	Board that coaches, helps, inspires, motivates and stimulates, is action-oriented, and evaluate processes based on performance measures	Board that coaches, helps, inspires, motivates and stimulates, is action-oriented, and consistently evaluate processes based on best practice performance measures
	Evidences: Board performance evaluation, governance framework			
Director and Committee Orientation program	No Policy. No Board orientation or inconsistent application from the last two terms.	<i>Absence of a policy that all committee members and directors undergone an orientation on their roles ___ after election or appointment. Complied in this current board.</i>	<i>Presence of a policy that all committee members and directors undergone an orientation on their roles ___ after election or appointment. Complied in this current board.</i>	<i>Presence of a policy that all committee members and directors undergone an orientation on their roles ___ after election or appointment. Consistently complied from the last two terms.</i>
	Evidences: Policy, Board orientation training module, attendance sheets, pictures of the orientation			

Credit Union Label of Governance Excellence

ATTRIBUTES	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
Compulsory training for the Board and critical positions	No Policy. No compulsory training or inconsistent application from the last two terms.	<i>Absence of a policy that all directors, audit supervisory Committee, credit committee and CEO have completed the Credit Union Competency Course. Complied in this current board.</i>	<i>Presence of a policy that all directors, audit supervisory Committee, credit committee and CEO have completed the Credit Union Competency Course. Complied in this current board.</i>	<i>Presence of a policy that all directors, audit supervisory Committee, credit committee and CEO have completed the Credit Union Competency Course. Consistently complied from the last two terms.</i>
Evidences: Policy and certificate of completion of compulsory training of the board and key positions				
Continuing education	No policy. Training of the board was not based on the training needs.	<i>Absence of a policy that based on the Board Self-Assessment and Performance Evaluation, Directors attend training on topics identified as priority in the skills gap needed for the full board to function effectively. Complied in the past year.</i>	<i>Presence of a policy that based on the Board Self-Assessment and Performance Evaluation, Directors attend training on topics identified as priority in the skills gap needed for the full board to function effectively. Complied in the past year.</i>	<i>Presence of a policy that based on the Board Self-Assessment and Performance Evaluation, Directors attend training on topics identified as priority in the skills gap needed for the full board to function effectively. Consistently complying annually in the last three years.</i>
Evidences: Policy, performance evaluation of the Board, and certificate of training completion				

Credit Union Label of Governance Excellence

ATTRIBUTES	1-Poor	2-Fair	3-Good	4-Excellent
		<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>
CEO responsibilities	<p>The job description and performance appraisal of the CEO does not encompass most the following responsibilities:</p> <ul style="list-style-type: none"> • Leader • Visionary and information bearer • Decision maker • Manager • Board developer <p>Performance appraisal is not based on the basic responsibilities of the CEO.</p>	<p>The job description and performance appraisal of the CEO encompass most the following responsibilities, but lagging in some:</p> <ul style="list-style-type: none"> • Leader • Visionary and information bearer • Decision maker • Manager • Board developer <p>Performance appraisal rate is Fair.</p>	<p>The job description and performance appraisal of the CEO encompass most the following responsibilities, but lagging in some:</p> <ul style="list-style-type: none"> • Leader • Visionary and information bearer • Decision maker • Manager • Board developer <p>Performance appraisal rate is satisfactory.</p>	<p>The job description and performance appraisal of the CEO encompass the following responsibilities:</p> <ul style="list-style-type: none"> • Leader • Visionary and information bearer • Decision maker • Manager • Board developer <p>Performance appraisal rate is outstanding.</p>
Evidences: Job Description, performance evaluation, management report				

Principle 10:
ORGANIZATIONAL
PERFORMANCE

Credit Union Label of Governance Excellence

ATTRIBUTES	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
ORGANIZATIONAL PERFORMANCE				
PROTECTION				
P1. Provisions for delinquent loans over 12 months	Less than 50% provisioning for loans delinquent for more than 12 months and no charging-off of is practiced.	50-99% provisioning for loans delinquent for more than 12 months and no charging-off of is practiced.	100% provisioning for loans delinquent for more than 12 months and quarterly charge off is practiced from time to time.	100% provisioning for loans delinquent for more than 12 months and quarterly charge off is consistently practiced.
	Evidence: Financial Statements			
P1. Provisions for delinquent loans 1-12 months	No provisioning for loans delinquent for 1-12 months and no charging off is practiced.	Less than 35 % provisioning for loans delinquent for 1-12 months and no charging off is practiced.	35% provisioning for loans delinquent for 1-12 months and quarterly charge off is practiced from time to time.	35% provisioning for loans delinquent for 1-12 months and quarterly charge off is consistently practiced.
	Evidence: Financial Statements			
EFFECTIVE FINANCIAL STRUCTURE				
E1. Net loans / total assets: Goal: Between 70 - 80%	Below 50% of the total assets Or	Over 80% of the total assets or 51-69% of the total assets	Between 70-80% of the total assets	Between 70-80% of the total assets and a diversified loan portfolio with a minimum of 5 different loan products
	Evidence: Financial Statements			

Credit Union Label of Governance Excellence

ATTRIBUTES	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
E5. Savings deposits / total assets Goal: Between 70 – 80%	Below 50% of the total assets	51-69% of the total assets	Between 70-80% of the total assets	Between 70-80% of the total assets and a diversified savings with a minimum of 5 different savings products
Evidence: Financial Statements				
E6. External Borrowing to Total Assets – reducing to Zero	More than 10 - 20% of total assets <i>SACCOS with more than 20% external loan are disqualified for audit</i>	6-10% of total assets	<5-% of total assets	0
Evidence: Financial Statements				
E7. Share Capital to Total assets	Below 5% of total assets	5-9% of total assets	10-12% of total assets >21%	13-20%
Evidence: Financial Statements				
E9. Net institutional capital Goal: Minimum 10%	Below 4 % of the total assets	5-9% % of the total assets	10% of the total assets	Above 10% of the total assets
Evidence: Financial Statements				

Credit Union Label of Governance Excellence

FINANCIAL	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
A1. Total loan delinquency / total loan portfolio: equal or less than 5%	More than 10% of the total loan portfolio	6-10% of the total loan portfolio	5 to 4 % of total loan portfolio	3% below
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Evidence: Financial Statements				
A2. Non-earning assets / total assets Goal: Less Than or Equal to 5%	More than 10% of the total assets	6-9% of the total assets	5% of the total assets	Less than 5% of the total assets
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Evidence: Financial Statements				
R7- Interest Cost on Share Capital to Average Shares Goal: Market Rate or >R5	Interest cost on shares (dividend) is paid at below the market rate	Interest cost on shares (dividend) is paid at below or 2 % higher than the market rate	Interest cost on shares (dividend) is paid at market rate	Interest cost on shares (dividend) is paid at market rate
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Evidence: Financial Statements				

Credit Union Label of Governance Excellence

	1-Poor	2-Fair	3-Good	4-Excellent
FINANCIAL	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
R9- Operating Expenses to Average Assets Goal: 5%	Operating expenses to Average Assets is <2 and >5 % of the average assets and maintains insufficient staffing to run the operation of the credit union.	Operating expenses to Average Assets is 2-3%	Operating expenses to Average Assets is 2.9- 4%	Operating expenses to Average Assets is 5%, maintains sufficient number of employees with competitive salaries
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Evidence: Financial Statements				
L1. Liquid investments (+) liquid assets (-) short-term payables /savings deposits Goal: Minimum 15%	Below 10% of the total savings or above 15% of the total savings if that amount exceeds 20% of the total assets	10-15% of the total savings but not exceeding 20% of the total assets	15 % of the total savings but not exceeding 20% of the total assets	Above 15% of total savings but not exceeding 20% of the total assets
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Evidence: Financial Statements				

Credit Union Label of Governance Excellence

FINANCIAL	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
S10. Growth in membership: Goal: > 12%	2% and below if credit union has reached 30% of the market	3% if credit union has reached 30% of the market	4% if credit union has reached 30% of the market	Min 5% if credit union has reached 30% of the market
Evidence: Financial Statements				
S11. Growth in total assets: Goal: Greater than the inflation rate	Lower than inflation rate	1-4% higher than the inflation rate	5-9% higher than the inflation rate	10% higher than the inflation rate
Evidence: Financial Statements				

**Principle 11:
NETWORK'S
ACCOUNTABILITY**

Credit Union Label of Governance Excellence

ATTRIBUTES	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
POOLING OF RESOURCES				
Human Resources Development and Planning	No policy and do not utilize the services of the federation.	No policy. Partly utilizing the services of the federation in hiring, training and development of staff and volunteer leaders. Outside trainers and consultants are also sourced out.	Utilizing the services of the federation in hiring, training and development of staff and volunteer leaders. Outside trainers and consultants are also sourced out but with endorsement of the federation. The practice is not in the policy but has been consistently observed in the last 2 years.	Utilizing the services of the federation in hiring, training and development of staff and volunteer leaders. Outside trainers and consultants are also sourced out but with endorsement of the federation. The practice is in the policy and has been consistently followed in the last 3 years.
	Evidence: Policy on training, training programs attended by the Board as per report of the CEO			
Liquidity Management Liquidity represents cash and cash deposits based on PEARLS standards.	No policy. Less than 10% of liquidity is deposited to the federation.	No policy. 10 - 29% of liquidity is deposited to the federation.	30-60% of liquidity is deposited to the federation. Presence of a policy that clearly states the purpose: as to share its resources to the CU system rather than depositing to competing financial institutions.	Above 60% and of liquidity is deposited to the federation. Presence of a policy that clearly states the purpose: as to share its resources to the CU system rather than depositing to competing financial institutions.
	Evidence: Financial Statements, schedule of liquidity investments, passbooks or certificates of investments			

Credit Union Label of Governance Excellence

ATTRIBUTES	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
Shared Marketing	Not contributing to the national marketing program of the credit unions. Doing its own marketing campaign and not within the parameters set by the network.	Partly contributing to the national marketing campaign by the federation as a mandated obligation to the network. Presence of budget approved by the AGM. Local marketing campaigns are also carried out within the parameters set by the federation. <i>This has been consistently practiced in the last 1 year.</i>	100% contributing to the national marketing campaign by the federation as a mandated obligation to the network. Presence of budget approved by the AGM. Local marketing campaigns are also carried out within the parameters set by the federation. <i>This has been consistently practiced in the last 1 year.</i>	100% contributing to the national marketing campaign by the federation as a mandated obligation to the network. Presence of budget approved by the AGM. Local marketing campaigns are also carried out within the parameters set by the federation. <i>This has been consistently practiced in the last 3 years.</i>
	Evidence: Marketing collaterals, check on marketing expenses and budget, board resolution related to marketing program			
Shared Technology	Using its own core banking or transactional software developed or outsourced from outside providers.	Using the core banking solution of the network at least in less than a year.	Using the core banking solution of the network at least in the last 1 -2 years.	Using the core banking solution of the network at least in the last 3 years.
	Evidence: observation of the core banking solution or back office IT			

Credit Union Label of Governance Excellence

ATTRIBUTES	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
Coop Led Digital Platforms	Coop is an agent to other digital payment platforms. Not using the digital channels of the network.	Using the digital channels offered by the federation of which below 25% of its members are actively utilizing it for their financial services.	Using the digital channels offered by the federation of which 26 to 60% of its are members actively utilizing it for their financial services.	Using the digital channels offered by the federation of which more than 60% of its members are actively utilizing it for their financial services.
Evidence: list of members using the digital platform				
Network's Training Institute	Does not have investment in the training institute.	Invest in the establishment of the training institute for the credit union network as a collective owner.	Invest in the establishment of the training institute for the credit union network as a collective owner and use its services.	As a collective owner, provide financial contribution to establish the training institute for the credit union network and 100% uses its services for all its education needs.
Evidence: certificate of investments, and financial statements				
Network's IT Solution Infrastructure	No investment made and using its own IT solution.	As a collective owner, - provided financial investment to acquire robust range of IT solutions available to the network. However, the credit union is still using its own core banking solution.	As a collective owner - provided financial investment to acquire robust range of IT solutions available to the network. The credit union is also a user of the shared technology in the last 3 years.	As a collective owner - provided financial investment to acquire robust range of IT solutions available to the network. The credit union is also a user of the shared technology since its introduction.
Evidence: certificate of investments, and financial statements				

Credit Union Label of Governance Excellence

ATTRIBUTES	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
STANDARDIZATION				
Products Even though the CUs may operate in very different markets, they must, in an integrated network, draw upon a pool of products conceived and designed according to pre-established norms.	Designs its own products.	Products offered are partly based on the standardize products prescribed by the network. The credit union does not provide input to the network on which products are relevant for its members and does not inform the network what new products need development.	Products offered are based on the standardize products prescribed by the network. The credit union decides which products are relevant for its members and informs the network what new products need development. <i>The credit union has adopted in the current year.</i>	Products offered are based on the standardize products prescribed by the network. The credit union decides which products are relevant for its members and informs the network what new products need development. <i>The credit union has adopted the products since last three years.</i>
	Evidence: products and services catalogue			

Credit Union Label of Governance Excellence

ATTRIBUTES	1-Poor	2-Fair	3-Good	4-Excellent
		<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>
Standard Operational System Uniformity of systems is needed for exchanging and sharing of data within the network.	Use its own system of loan documentation and accounting system.	The CU partly adheres to the following uniform system prescribed by the network: <ul style="list-style-type: none"> • Loan documentation such as forms, information required from members, and assessment • Accounting – forms, chart of accounts, accounting system and financial statements reporting 	The CU adheres to the following uniform system prescribed by the network in the current year: <ul style="list-style-type: none"> • Loan documentation such as forms, information required from members, and assessment • Accounting – forms, chart of accounts, accounting system and financial statements reporting 	The CU consistently (at least last 3 years) adheres to the following uniform system prescribed by the network: <ul style="list-style-type: none"> • Loan documentation such as forms, information required from members, and assessment • Accounting – forms, chart of accounts, accounting system and financial statements reporting
Evidence: forms used for loans and accounting, financial reports				

Credit Union Label of Governance Excellence

ATTRIBUTES	1-Poor	2-Fair	3-Good	4-Excellent
		<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>
Standard Policies and norms Uniformity in ways to operate is to standardize the principles and direction they are based on.	Use its own policies.	The CU partly adheres to the following uniform standard polices prescribed by the network: <ul style="list-style-type: none"> • Organizational and governance • Credit management • Financial Management • Human resource management • Planning 	The CU (<i>current year</i>) adheres to the following uniform standard polices prescribed by the network: <ul style="list-style-type: none"> • Organizational and governance • Credit management • Financial Management • Human resource management Planning	The CU consistently (<i>at least last 3 years</i>) adheres to the following uniform standard polices prescribed by the network: <ul style="list-style-type: none"> • Organizational and governance • Credit management • Financial Management • Human resource management • Planning
Evidence: policy documents				

Credit Union Label of Governance Excellence

ATTRIBUTES	1-Poor	2-Fair	3-Good	4-Excellent
		<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>
Institutional Visual Identity Centralization of advertising by the federation plays a major role in maintaining that image. By adhering to a unique image, the financial cooperatives acknowledge that they are part of a system which is greater than they are: the network.	No adoption of the Visual Identity Program of the network.	Has partly adopted the network's unique banner and national marketing strategies such as: <ul style="list-style-type: none"> • logo • staff uniform • signages • letterheads and business cards • institutional color • office layout The credit union has adopted the network institutional image last year.	Has adopted the network's unique banner and national marketing strategies such as: <ul style="list-style-type: none"> • logo • staff uniform • signages • letterheads and business cards • institutional color • office layout <i>The credit union has adopted the network institutional image last year.</i>	Has adopted the network's unique banner and national marketing strategies such as: <ul style="list-style-type: none"> • logo • staff uniform • signages • letterheads and business cards • institutional color • office layout <i>The credit union has adopted the network institutional image since the last 3 years.</i>
Evidence: verify the logo use and branding throughout the organization				

Credit Union Label of Governance Excellence

ATTRIBUTES	1-Poor	2-Fair	3-Good	4-Excellent
		<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>
Human Resource	Has its own policies on human resource.	Partly adopting the standards on employee recruitment, development, promotion, performance evaluation and remuneration.	Consistently adopting the standards on employee recruitment, development, promotion, performance evaluation and remuneration. <i>Seen adoption in the current year.</i>	Consistently adopting the standards on employee recruitment, development, promotion, performance evaluation and remuneration. <i>Seen adoption in the last 3 years or more.</i>
Evidence: HR policy				

Credit Union Label of Governance Excellence

ATTRIBUTES	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
CONTRACTUAL SOLIDARITY				
Member Dues Entities must be obligated to pay dues to the second-tier institution in order to belong to the federated network and enjoy access to its services.	Does not meet the dues obligation to the network.	Meeting the dues obligation to the network irregularly.	Consistently and timely meeting the dues obligation to the network in <i>the last three years</i> .	Consistently and timely meeting the dues obligation to the network for more <i>than three years and provide voluntary contribution to the network.</i>
	Evidence: financial statements, budget and actual expense on dues			
Territory Management A CU cannot expand beyond its defined territory to avoid competition within the network.	Expansion of operation by opening a branch without consultation with the network. Its branches are encroaching the territory of other credit union/s.	Expansion of operation by opening a branch is without the consultation of the network. However, it is <i>sometimes</i> ensuring that branching out is not encroaching the territory of another credit union/s.	Expansion of operation by opening a branch is not approved by the network. However, it is <i>always</i> ensuring that branching out is not encroaching the territory of another credit union/s.	Expansion of operation by opening a branch is approved by the network. It is ensuring that branching out is not encroaching the territory of another credit union/s.
	Evidence: population of the area of operation and summary of membership, strategic plan			

Credit Union Label of Governance Excellence

ATTRIBUTES	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
Balancing Size of Credit Unions	<p>Demonstration of desire to expand the membership even to the extent of encroaching other territories. Or no desire to expand membership to reach sustainable level of operation.</p> <p><i>(Note: ACCU recommends at least 1,000 members to be able to hire a full-time manager and two staff, maintain office)</i></p>	<p>Demonstration of the commitment of the management to deepen the outreach within the existing area of operation instead of expanding the area of operation to increase the number of members. The credit union has at less than 10% outreach in its original area of operation before branching out.</p>	<p>Consistent demonstration of the commitment of the Board and management to deepen the outreach within the existing area of operation instead of expanding the area of operation to increase the number of members. The credit union has 11 to 29% outreach in its original area of operation before branching out.</p>	<p>Consistent demonstration of the commitment of the Board and management to deepen the outreach within the existing area of operation instead of expanding the area of operation to increase the number of members. The credit union has at least 30% outreach in its original area of operation before branching out.</p>
Evidence: Strategic direction – Strategic plan, business plan				

Credit Union Label of Governance Excellence

ATTRIBUTES	1-Poor	2-Fair	3-Good	4-Excellent
	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
GOVERNANCE AND SELF-DISCIPLINE				
Loan supervision	Does not submit itself to the loan supervision by the network.	<i>Irregularly submitting itself to the loan supervision by the network and following the norms on loan origination, documentation, evaluation and limits.</i>	<i>Since last year, submitting itself to the loan supervision by the network and following the norms on loan origination, documentation, evaluation and limits.</i>	<i>Since last three years, submitting itself to the loan supervision by the network and following the norms on loan origination, documentation, evaluation and limits.</i>
	Evidence: loan supervision report			
Fit and Proper Requirements	Does not comply with the fit and proper requirement by the network.	The Board of Directors and senior management <i>partly</i> passed the fit and proper requirements by the network.	The Board of Directors and senior management passed the fit and proper requirements by the network. <i>Starting last year, the credit union complied with the fit and proper requirements for the board and senior management.</i>	The Board of Directors and senior management passed the fit and proper requirements by the network. <i>Last three years, the credit union complied with the fit and proper requirements for the board and senior management.</i>
	Evidence: policy of the credit union in compliance with the fit and proper requirement			
Stabilization Fund	Not fulfilling the financial obligation to the fund.	<i>Irregularly meeting its financial obligation to the stabilization fund without delay.</i>	<i>In the last two years, meeting its financial obligation to the stabilization fund without delay.</i>	<i>Last three years, meeting its financial obligation to the stabilization fund without delay.</i>
	Evidence: financial report and expense to the fund			

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	<i>Consistently does not meet the desired levels of performance in this area.</i>	<i>Does not meet the desired levels of performance, but Fair on the quality</i>	<i>Meet the desired levels of performance, seldom do not meet them and frequently exceed them.</i>	<i>Consistently exceed the desired levels of performance.</i>
Risk based supervision	Does not submit to the risk-based supervision by the network.	<i>Irregularly</i> submitting to the risk-based supervision of the network and complying the onsite and offsite requirements.	<i>Since last year</i> , submitting to the risk-based supervision of the network and complying the onsite and offsite requirements.	<i>Last three years</i> , submitting to the risk-based supervision of the network and complying the onsite and offsite requirements.
	Evidence: supervision report by the network			
Network Standards – ACCESS	Using PEARLS or regulatory prudential standards.	<i>Irregularly</i> uses ACCESS and regulatory prudential in planning and monitoring the performance of the credit union.	<i>Last year</i> , uses full version of ACCESS and regulatory prudential standards in planning and monitoring the performance of credit union.	<i>In the last three years</i> , uses ACCESS and regulatory prudential standards in planning and monitoring the performance of the credit union.
	Evidence: accreditation certificate, performance report of the credit union or the CEO report to the Board of Directors, Strategic Plan			