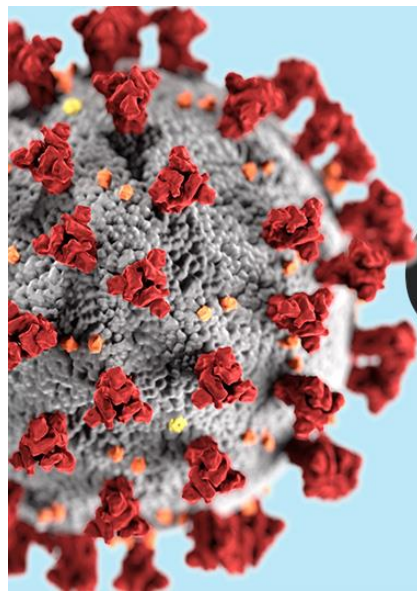


# Business Continuity Plan Template



# COVID-19

CORONAVIRUS PANDEMIC

**Credit Union  
Business Solution  
No. 29**



**ASSOCIATION OF  
ASIAN CONFEDERATION OF CREDIT UNIONS**

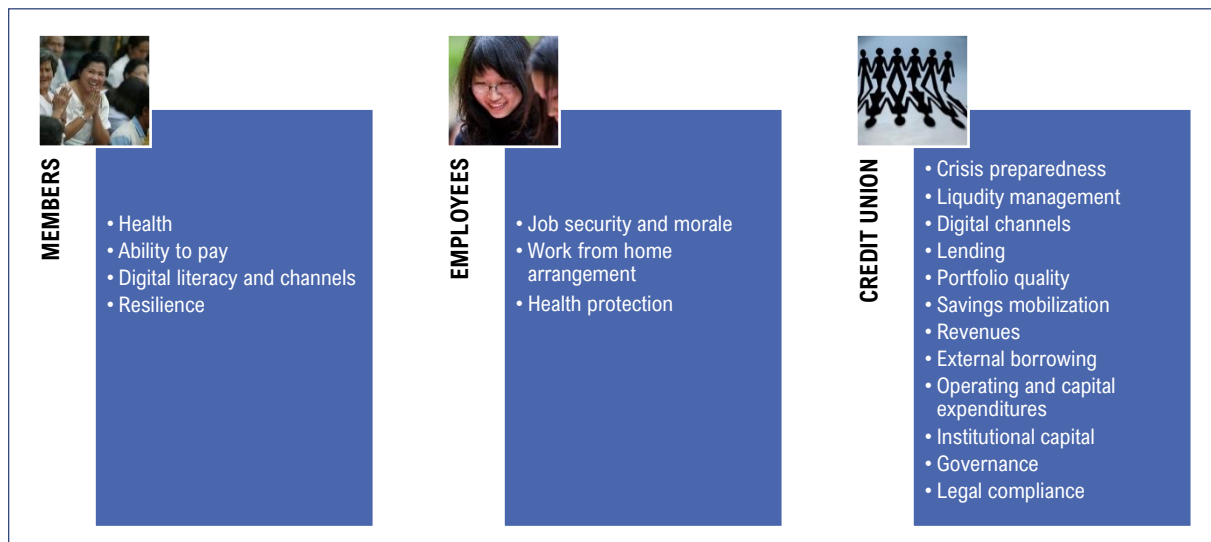
# PREFACE

The Association of Asian Confederation of Credit Unions (ACCU) is pleased to share a simple template on Business Continuity Plan that can be used by our member organizations (national federations of credit unions) to assist credit unions address the impacts of COVID-19.

ACCU recognizes that significant number of webinars are available for credit unions to learn the concept of Business Continuity Planning. However, due to the urgency of the situation, ACCU deemed it necessary to develop a guide to accelerate the process of deploying BCP to as many credit unions as possible.

The aim of the business continuity plan is to ensure the continuity of services to members despite disruptions. It is in times like these, where credit unions need to understand and address what is critical for their members and mitigate risks. Only when business-critical processes can function without any interruption, a robust business continuity solution can be achieved.

After introducing Business Solution no. 27: Guide to Credit Unions on the Impacts and Responses to COVID 19, we realized that the tool offers essential inputs to prepare BCP. The template addresses impact on members, employees and institution:



This is an evolving template on BCP. We thank our member organizations for participating the survey we made in June 2020 that assessed the impacts and responses to COVID 19. The results validated the contents of this document. Thank you.

## TABLE OF CONTENTS

Preface	1
Introduction	3
Scope and Objectives	6
Business Continuity Management Team	8
Operations are Risks and Impact Assessment	9
<b>Impacts of COVID 19</b>	
Members	11
Employees	16
Credit Union	18
<b>COVID 19 Risks Mitigation Measures</b>	
Members	21
Employees	27
Credit Union	31
<b>Impacts and Priority Matrix</b>	<b>43</b>
<b>Appendices</b>	
1. Member Interview Tool to Review COVID 19 Impacts	48
2. Statement of Net Worth	52
3. Sample Work-From-Home Policy	54
4. Hygiene Measures (from WHO)	56
5. Projected Cash Flow Statement	57
6. Sample Virtual Board Meeting	59

# 1. INTRODUCTION

## What is Coronavirus?<sup>1</sup>

Coronavirus disease (COVID-19) is an infectious disease caused by a newly discovered coronavirus.

Most people infected with the COVID-19 virus will experience mild to moderate respiratory illness and recover without requiring special treatment. Older people, and those with underlying medical problems like cardiovascular disease, diabetes, chronic respiratory disease, and cancer are more likely to develop serious illness.

The best way to prevent and slow down transmission is be well informed about the COVID-19 virus, the disease it causes and how it spreads. Washing hands or using an alcohol-based rub frequently and not touching the face are the suggested ways to protect from infection.

The COVID-19 virus spreads primarily through droplets of saliva or discharge from the nose when an infected person coughs or sneezes, so it's important to practice respiratory etiquette (for example, by coughing into a flexed elbow).

Currently, there are no specific vaccines or treatments for COVID-19. However, there are many ongoing clinical trials evaluating potential treatments.

COVID-19 affects different people in different ways. Most infected people will develop mild to moderate illness and recover without hospitalization.

Most common symptoms:

- fever.
- dry cough.
- tiredness.

Less common symptoms:

- aches and pains.
- sore throat.
- diarrhea.
- conjunctivitis.
- headache.
- loss of taste or smell.
- a rash on skin, or discoloration of fingers or toes.

Serious symptoms:

- difficulty breathing or shortness of breath.
- chest pain or pressure.
- loss of speech or movement.

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<sup>1</sup> [https://www.who.int/health-topics/coronavirus#tab=tab\\_1](https://www.who.int/health-topics/coronavirus#tab=tab_1)

Seek immediate medical attention if you have serious symptoms. Always call before visiting your doctor or health facility.

People with mild symptoms who are otherwise healthy should manage their symptoms at home. On average it takes 5–6 days from when someone is infected with the virus for symptoms to show, however it can take up to 14 days.

### **Coronavirus Country Measures<sup>2</sup>:**

To heed the advice of the World Health Organization, governments took swift actions to contain the spread of the virus by taking extraordinary measures:

- Lockdown or Enhanced community quarantine restricts the movement of the population. To avoid movements companies, except for essential services work remotely, schools have canceled classes for weeks to months; and restaurants, retail stores, bars, gyms, and other gathering places in dozens of states have shuttered. Large public gatherings are also not allowed.
- Travel bans - Many countries and regions have imposed quarantines, entry bans, or other restrictions for citizens of or recent travelers to the most affected areas. Other countries and regions have imposed global restrictions that apply to all foreign countries and territories or prevent their own citizens from travelling overseas.
- *Social distancing* means maintaining a 2-meter distance between yourself and others as far as possible.
- Epidemiological surveillance is the foundation for immediate and long-term strategies for combating infectious diseases. Such monitoring is usually the responsibility of national authorities and includes assessing individual cases, identifying the causative organisms, and compiling population-based data that inform public health policy.
- Public Awareness – almost all the countries in Asia has created a task force to support the efforts of the government to control the spread the virus. This is includes proving timely information to the public on the protocols to prevent the infections.

There is substantial uncertainty about the impact of the virus on people’s lives and livelihoods. A lot depends on the epidemiology of the virus, the effectiveness of containment measures, and the development of therapeutics and vaccines, all of which are hard to predict.

In addition, many countries now face multiple crises—a health crisis, a financial crisis, and a collapse in commodity prices, which interact in complex ways. Policymakers are providing unprecedented support to households, firms, and financial markets, and, while this is crucial for

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<sup>2</sup> The credit union can update this section based on the specific country measures in dealing with COVID 19. For example, in the Philippines, the government has categories on community quarantine like Emergency Community Quarantine (ECQ), Moderate Enhanced Community Quarantine (MECQ), etc.

a strong recovery, there is considerable uncertainty about what the economic landscape will look like when we emerge from this lockdown.

### **Impacts to Economy:**

Given its worldwide character the effects are not limited to the credit union/cooperative sector or local economy. The general worldwide effects are:

- Lower demand: garment, agricultural products exports, tourism / travel
- Stagnation of transport: flights, container ships, public transport
- Stagnation of imported goods and raw material
- Low commodity prices due to lower demand
- Low aid inflow, lower / stagnated remittances
- Closures of factories, bankruptcies
- Rising unemployment
- Lower consumption especially non-food
- Lowering interest rates, deflation
- Weaker local currency

Given the above scenarios, credit unions can expect their current and potential members could have slide back to poverty. An increase in poverty will be felt and seen by credit unions within the communities they operate.

## **2. SCOPE AND OBJECTIVES**

This is the business continuity plan for ABC Credit Union, a financial cooperative founded on \_\_\_\_\_(date). Its mission is to provide quality financial services that improve the lives of members.

This BCP is to ensure the continuity of ABC credit union services in the event of an unforeseen and prolonged crisis. The COVID 19 pandemic has caused disruption on the regular operations due to lockdown, quarantine, social distancing and travel ban imposed by the government.

As approved by the Board of Directors on its meeting on \_\_\_\_\_, the Business Continuity Plan has the following scope:

1. **Members:** Maintain responsible treatment of members and support to come up with measures to cope with the COVID-19 situation
2. **Employees:** Minimize the risk of infections and insure responsible treatment of employees and volunteers during the crisis
3. **Institution:** Minimize risks for the institution in order to ensure business continuity during and after the crisis
4. **Stakeholders:** Proactively communicate with all stakeholders.

As of \_\_\_\_\_(date), ABC Credit Union has the following operational scope and exposures:

**Include the KPIs that has been disrupted due to the pandemic**

Number of Service Points (Main office and Branches)	
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<b>Membership:</b>	
Women Members	
Male Members	
Total Number of Members	

<b>Employees:</b>	
Women	
Male	
Total	

<b>Volunteers:</b>	
Women	
Male	
Total	
<b>Total Employees and Volunteers</b>	

<b>Financials</b>	
Total Assets	
Liquidity (Cash in Bank, short term deposits 1 year)	
Financial Investments (deposits with maturity of more than 1 year)	
Loans Outstanding	
Fixed Assets	
Savings Deposits (all types)	
External borrowing	
Liabilities (payables)	
Share Capital	
Institutional Capital (Reserves, Land and Building Fund, Donated Capital etc.)	
Transitory Capital (Funds for specific purpose e.g. education, community engagements, member welfare etc.)	
Delinquency Ratio	

The ABC Credit Union has an existing Strategic Plan for which the targets and strategies were affected due to the pandemic. Below is the summary of the Strategic Plan:

<b>SUMMARY OF STRATEGIC PLAN</b>				
<b>FOUNDATIONS</b>	<b>OBJECTIVES &amp; GOALS</b>			
<b>Our Mission</b>	<b>FINANCIAL PERSPECTIVE</b>			
	<b>Critical Success Factors</b>	<b>Strategic Objectives</b>	<b>Targets</b>	<b>Improvement Actions</b>
To provide quality financial services that improve lives of people				
<b>Our Core Values</b>	<b>MEMBER-CUSTOMER PERSPECTIVE</b>			
	<b>Critical Success Factors</b>	<b>Strategic Objectives</b>	<b>Targets</b>	<b>Improvement Actions</b>
<b>Competitive Advantage</b>	<b>INTERNAL BUSINESS PROCESSES PERSPECTIVE</b>			
	<b>Critical Success Factors</b>	<b>Strategic Objectives</b>	<b>Targets</b>	<b>Improvement Actions</b>
<b>Our Vision</b>	<b>KNOWLEDGE &amp; GROWTH PERSPECTIVE</b>			
	<b>Critical Success Factors</b>	<b>Strategic Objectives</b>	<b>Targets</b>	<b>Improvement Actions</b>



### 3. BUSINESS CONTINUITY MANAGEMENT TEAM<sup>3</sup>

The Board has appointed the BCP Team comprised of the following:

Responsibility	Name and Position	Address	Mobile and Email	Other Means of communication (mobile phone, Viber, Skype, messenger, WhatsApp, Line)
Team Leader				
Alternate 1				
Alternate 2				
Member				
Member				
Member				

The BCP team has the following roles and responsibilities:

1. Monitor the situation directly affecting the business, like illness of staff and clients, development of defaults, liquidity, solvency
2. Monitor the situation externally: the macro-economic developments, regulations / guidelines of the authorities, actions from other stakeholders (e.g. funders / investors).
3. Execute various pro-active analysis of the present business processes, possible events and scenarios. Execute stress testing. Taking all necessary measures to minimize the risks to ensure business continuity
4. Ensure proper and timely communications to staff, clients and all other stakeholders about the measures that are taken by the institution
5. Ensure that staff is following the instructions: applying hygiene measures (see appendix 1 for details), social distance, working from home, etc.

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<sup>3</sup> (The BCP should include the title and contact information of each of the team members listed above. If applicable, you may want to specify backup contacts. The members of the BCP are composed of the following:

- CEO
- Member Services and relations.
- Finance.
- Human Resources.
- Internal Communications.
- Information technology.
- Legal.)

#### 4. OPERATIONS AT RISKS AND IMPACT ASSESSMENT

**Risks assessment:** This exercise identifies the operations risk using the Risk Rating guide in the Credit Union Business Solution No. 14- Credit Union Risk Based Supervision System (CURBSS).

##### Scoring of Credit Union-Specific Risks

The measurement will be on a scale of 1 – 5 with 1 representing the lowest risk and 5 the highest. The risk bands will be as follows:

- |      |   |           |
|------|---|-----------|
| i)   | 1 | Very Low  |
| ii)  | 2 | Low       |
| iii) | 3 | Medium    |
| iv)  | 4 | High      |
| v)   | 5 | Very High |

The overall credit union specific risk score will be derived as shown in the risk matrix in Table 1.

**Impact Assessment:** At a minimum, relevant period, impact, and probability of occurrence are assigned. Time frame is the beginning and end dates of when a risk may occur. Then CURBSS sets impact definitions. The Risk Matrix impact definitions are:

- **C (Critical):** If the risk event occurs, the program will fail. Minimum acceptable requirements will not be met.
- **S (Serious):** If the risk event occurs, the program will encounter major cost/schedule increases. Minimum acceptable requirements will be met. Most secondary requirements may not be met.
- **Mo (Moderate):** If the risk event occurs, the program will encounter moderate cost/schedule increases. Minimum acceptable requirements will be met. Some secondary requirements may not be met.
- **Mi (Minor):** If the risk event occurs, the program will encounter small cost/schedule increases. Minimum acceptable requirements will be met. Most secondary requirements will be met.
- **N (Negligible):** If the risk event occurs, it will have no effect on particular aspects of operation. All requirements will be met.

**Probability - Po (%):** Probability of occurrence is the team’s assessment of the likelihood that a risk may happen. Estimating the probability of occurrence may be difficult in practice. Fortunately, all that matters when using Risk Matrix is the relative order of the probability estimates (which risks are more likely to occur).


For this purpose, it is enough to estimate probabilities using a relative scale:

- i. **0 - 10%** : very unlikely the risk will occur
- ii. **11- 40%** : unlikely the risk will occur
- iii. **41- 60%** : even likelihood the risk will occur
- iv. **61- 90%** : likely the risk will occur
- v. **91- 100%** : very likely the risk will occur

In summary, the following is the Risk Rating Scale guide:


Probability	Impact Category				
	Critical	Serious	Moderate	Minor	Negligible
<b>91 – 100%</b> - very likely the risk will occur	Very High	Very High	High	Medium	Medium
<b>61 – 90%</b> - likely the risk will occur	Very High	High	High	Medium	Low
<b>41 – 60%</b> - even likelihood the risk will occur	High	Medium	Medium	Medium	Low
<b>11 – 40%</b> - unlikely the risk will occur	High	Medium	Low	Low	Low
<b>0-10%</b> - very unlikely the risk will occur	Medium	Low	Low	Very Low	Very Low

## IMPACTS TO MEMBERS

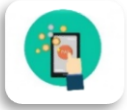
Areas		Risk <sup>4</sup>	Impacts to Credit Union Operations
<b>HEALTH</b> 	<b>Age vulnerability:</b> Majority of credit union members are 60 years old above (more than 50% of them are women). According to World Health Organization, COVID-19 virus infects people of all ages. However, evidence to date suggests that two groups of people are at a higher risk of getting severe COVID-19 disease. These are older people; and those with underlying medical conditions.	<b>Low to Very High</b> Age segmentation reveals that ___% of members belongs to age bracket of 60 years old and above of which _____ % are retired & receiving pensions or support from their children or still employed with regular income from salaries while ___ % are working as vendors or business.	Ability to pay of _____ % members who belong to 60 and above age brackets will be affected.  Their loans approximately ( <u>total amount</u> ) would need moratorium. <sup>5</sup>
	<b>Weak immune system:</b> The <b>coronavirus</b> is dangerous and can be fatal for the elderly as they typically have a weaker <b>immune system</b> coupled with various other chronic diseases.	<b>Low to Very High</b> As the membership comprises _____ % of seniors, they are susceptible to the risk of infection.	


<sup>4</sup> Risk rating should be assessed based on the Risk Rating Matrix

<sup>5</sup> The credit union, as a financial institution need to consider the Loan Repayment Measures to Assist Borrowers Affected by COVID-19 issued by their respective Central Bank or regulators. Examples are Nepal, the Philippines, Singapore, Thailand, and Indonesia.

	Areas	Risk	Impacts to Credit Union Operations
<p><b>ABILITY TO PAY</b></p> 	<p><b>Daily wage earners:</b> Members who are earning daily wage lose income due to lockdown. Examples of businesses would be tea shop, convenience store, handicraft, beauty salon, and market vending. For services, some examples are those who are working at beauty parlors, house to house laundry service, laborers at the farm, factories, sewers, repairmen, and housekeepers.</p>	<p><b>Low to Very High</b> Indicate the number of members whose income source were affected: (Reference – member segmentation)</p> <p>50% of members belong wage eaner category. The total amount of loan affected is USD _____ which represents 30% of the loan portfolio.</p>	<p>The financial impact are as follows: Loan portfolio _____ (amount of loan) Loan repayment that cannot be collected from March to May 2020 is _____ (amount)</p> <p><i>(note: Appendix 1: Member Interview Tool to Review COVID 19 Impacts would be very helpful to understand the situation of members. Page 48)</i></p>
	<p><b>MSMEs:</b> Non-essential businesses like beauty salons, spa, garment production, schools, hospitality, souvenir shops, and handicrafts production are severely impacted. Members engaged in these types of business are highly vulnerable. Those dependent on import/export supply chains are most exposed to disruptions and reduction in demand, and many are experiencing a lack of places to sell and merchandise to buy. Those engaged in essential type of livelihood were affected due to mobility in bringing their products to the market due to lock down and social distancing.</p>	<p><b>Low to Very High</b> Indicate the number of members whose income source were affected: (Reference – member segmentation)</p>	<p>The financial impact are as follows:</p> <ul style="list-style-type: none"> <li>• Loan portfolio _____ (amount)</li> <li>• Loan repayment that cannot be collected from March to May 2020 is _____ (amount)</li> </ul>


Areas	Risk	Impacts to Credit Union Operations
<p><b>Farmers and Agribusiness:</b> Even agriculture produce are essential; farmers are unable to go out during the lockdown. Support services to market their products are challenging particularly to small scale farmers. There is an issue on farm inputs and marketing the produce.</p>	<p><b>Low to Very High</b> Indicate the number of who derived income from farming and agribusiness.  (Reference – member segmentation)</p>	<p>The financial impact are as follows:  Loan portfolio _____ (amount)  Loan repayment that cannot be collected from March to May 2020 is _____ (amount)</p>
<p><b>Doorstep Services:</b> During the lockdown, credit unions are not able deliver door-to-door services to members. Person to person meeting with members are restricted or limited. Credit unions implementing microfinance using self-help groups as delivery channel to education and financial services to low income are seriously affected. The lack of group meetings will create a challenge in paying the loans. Based on experience, they pay the loans in cash and not able to use digital channels, if credit unions at all provide so.</p>	<p><b>Low to Very High</b> Indicate the number members with daily or weekly repayment for which the collectors are providing doorstep services.  (Reference – member segmentation)</p>	<p>The financial impact are as follows:  Loan portfolio _____ (amount)  Loan repayment that cannot be collected from March to May 2020 is _____ (amount)</p>



	Areas	Risk	Impacts to Credit Union Operations
	<p><b>Increase in Price of Basic food products:</b> Hoarding is occurring in some markets due to panicked preparation for lockdowns. The low-income people suffer the most because of the increase in the cost of living during the lockdown.</p>	<p><b>Low to Very High</b> This could be temporary as the government is taking steps to ensure that hoarding or increase in prices of commodities are in control during the lockdown.</p>	<p>There is a need to provide for food packs to members who cannot afford to feed their families during the lockdown. It will be cost to operation or charged to transitory fund (community development fund, member fund etc.)</p>
<p><b>DIGITAL CHANNELS FOR FINANCIAL SERVICES</b></p> 	<p><b>Digital literacy:</b> Where digital channels are available, low number of members are maximizing the use of it.</p>	<p><b>Low to Very High</b> If digital channel is available: ____% of members are using the digital channels. Majority of members are still relying on face to face transactions (over the counter or through collectors).</p> <p>If no digital channel: During the lockdown, members who are not using digital channels would not be able to access their savings and make payments of their utilities.</p>	<p>Reduced business volume during the lockdown. The social distancing during the lockdown will significantly contribute to the decrease of business volume.</p>
	<p><b>Coins and Notes could transmit virus:</b> Though studies say it was rare, coins and notes are bacteria laden instruments. Members engaged in MSMEs or market vendors are more exposed with this risk.</p>	<p><b>Low to Very High</b> Majority of the members prefer cash over the counter transactions.</p>	<p>No loan and savings collection during the lockdown. Reduced cash inflow</p>

Areas		Risk	Impacts to Credit Union Operations
Areas		Risk	Impacts to Credit Union Operations
<b>RESILIENCE</b> 	<b>Mental Health:</b> As the coronavirus (COVID-19) pandemic sweeps across the world, it is causing widespread concern, fear and stress, all of which are natural and normal reactions to the changing and uncertain situation that everyone finds themselves in.	<b>Low to Very High</b> The main psychological impact to date is elevated rates of stress or anxiety for those members who lost income. Further, effects of quarantine and social distancing increase the levels of loneliness, depression, harmful alcohol and drug use, and self-harm or suicidal behavior are also expected. Most likely ____% of members are susceptible to this behavioral change.	Has an impact on the savings and lending operation of credit unions. Credit unions exist for the members. They are owners and users.
	<b>Financial Health:</b> Typically, it is recommended that every member should save somewhere between three to six months of expenses in emergency fund. To determine enough money to put away in an emergency fund, the following should be considered: <ul style="list-style-type: none"> <li>• Food</li> <li>• Utilities</li> <li>• Kids' education expenses</li> <li>• Insurance</li> <li>• Financial responsibilities - loans</li> </ul>	<b>Low to Very High</b> Members of credit unions may not have the financial cushion to bear the impacts of pandemic. As some businesses close or reduce staffing, more members would be struggling to make ends meet.  At least ____ % of members who were already financially vulnerable, have become even more so.	Increase in delinquency.


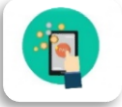




## IMPACTS TO EMPLOYEES



	Areas	Risk	Impacts to Credit Union Operations
<p><b>JOB SECURITY AND MORALE</b></p> 	<p><b>Losing Job:</b> there is uncertainty on when virus can be contained.</p>	<p><b>Low to Very High</b>                      With the skyrocketing delinquency, limited lending and slow savings growth, unprecedented loss at least in 2020 could be experienced.</p> <p>The standard ratio for institutional capital to total assets not met: _____</p> <p>Staff are aware of the situation and could fear losing job.</p>	<p>Low productivity, poor member service.</p> <p>It is a challenge to respond to the impacts of the pandemic when the safety and soundness standards challenged particularly in maintaining the staff.</p>
	<p><b>Incentives and salary raise:</b></p>	<p><b>Low to Very High</b>                      Impact on bonus payments for employees that are incentivized by performance bonuses and salary increases due to the foreseen losses in operations.</p>	
	<p><b>Health safety:</b></p>	<p><b>Low to Very High</b>                      Staff are uncomfortable handling cash and would prefer fewer people entering branch locations.</p>	<p>Building and maintaining good member relationships can be hampered.</p>
	<p><b>Stigma and discrimination</b>                      Stigma and discrimination are associated with a lack of knowledge about how COVID-19 spreads, a need to blame someone, fears about disease and death, and gossip that spreads rumors and myths.</p>	<p><b>Low to Very High</b>                      Staff and Board were educated about COVID 19, however, the fear of associating with members who do not have knowledge on how to protect themselves and others is a risk.</p>	




Areas		Risk	Impacts to Credit Union Operations
<b>WORK FROM HOME CHALLENGES</b> 	<b>Essential staff</b>	<b>Low to Very High</b> the work from home arrangement may not work for front-line staff as they must service the withdrawal of members' savings.	Additional cost of providing them with transportation during the lockdown.
	<b>Lack of facilities</b>	<b>Low to Very High</b> Staff not equipped to work from home: lack of laptops, reliable power supply, internet access, and security devices.	Additional cost of providing staff with equipment and internet access to be able to function effectively.
	<b>Conducive working environment</b>	<b>Low to Very High</b> Staff may not be able to work remotely due to a lack of a conducive environment (i.e., small or shared living accommodations, disturbances caused by environmental noise, other people in the home).	Productivity will be affected.
<b>HEALTH PROTECTION</b> 	<b>Running out of Stocks</b>	<b>Low to Very High</b> Protective equipment such as masks, gloves, and sanitizers may run out of stock in the market. People may tend to hoard, and suppliers increase price.	Additional costs which were not budgeted.
	<b>Fear</b>	<b>Low to Very High</b> As the crisis unfolds, official advice does not exist in some cases or may be contradictory in nature. Employees are feeling confused and fearful.	Affecting productivity.



## IMPACTS TO CREDIT UNION

	Areas	Risk	Impacts to Credit Union Operations
<p><b>LIQUIDITY MANAGEMENT</b></p> 	<p><b>Decline in collection</b></p>	<p><b>Low to Very High</b>                      May face liquidity shortage due to the inability of members to pay their loans and decline in the mobilization of savings.</p>	<ul style="list-style-type: none"> <li>• Inability to meet liquidity requirements</li> <li>• Incur losses for 2020</li> <li>• Inability to declare dividends to members</li> </ul>
	<p><b>Pandemic related expenses</b></p>	<p><b>Low to Very High</b>                      Since operating in the community, there is a need to set aside liquidity to handle pandemic-related additional expenses such food rations for members and front liners. Further, there is also a need for liquidity to address the cash needs of staff in cases of emergency.</p>	
<p><b>DIGITAL CHANNELS</b></p> 	<p><b>Digital channels</b></p>	<p><b>Low to Very High</b>  <i>Explain the available digital channels the credit union has and the number of members using it. It is a risk if not many members are using the channels.</i></p>	<p><i>Unable to serve the members in case of low uptake of the digital channels.</i></p>

Areas		Risk	Impacts to Credit Union Operations
<p><b>LENDING</b></p> 	<p><b>Loan Writing and Collection</b></p>	<p><b>Low to Very High</b>  Loan disbursement activities are suspended in certain geographies where local governments have started restricting human movements and residents fear for their safety. Credit investigation may not be possible.</p>	<p>Target on loan granting will not be met and decrease in income that may lead to net loss.</p>
<p><b>PORTFOLIO QUALITY</b></p> 	<p>Due to low business activity or the lack of ability to repay in cash (where alternate channels are not available), portfolio quality of certain regions and/or of members in certain business segments (e.g. general services, manufacturing, hospitality) has started to deteriorate and is expected to worsen over the coming months.</p> <p>Certain regions' loan book is not growing due to lack of demand for credit (due to low business activity) and in many cases, is expected to shrink in the coming months.</p>	<p><b>Low to Very High</b>  <i>In this section, there is a need to include the loan portfolio that has gone bad in order to measure the risk and thus appropriate mitigation is identified.</i></p>	<p>Increase in delinquency  Increase in loan loss provision leading to net loss.</p>


Areas		Risk	Impacts to Credit Union Operations
<p><b>SAVINGS MOBILIZATION</b></p> 	<p>A drastic decline in savings and share capital mobilization will obviously be experienced due to the loss of income of members. Those with dependable source of income, like the salaried members, would opt to keep their cash with them since the pandemic seemed to be far from over. Credit unions must be prepared that new funds will be less.</p>	<p><b>Low to Very High</b>  <i>Identify the risks on the decline of deposits:</i></p> <ul style="list-style-type: none"> <li>• <i>Is there an anticipation of withdrawals of deposits? Will the amount affect the liquidity?</i></li> <li>• <i>Is there a projection on new savings? Or increase in savings because the credit union offers higher interest compared with Banks. Credit unions may not have liquidity problem, but the risk is how to invest such deposits.</i></li> </ul>	<p>Liquidity gap</p>
<p><b>REVENUE</b></p> 	<p><b>Interest on loans</b></p>	<p><b>Low to Very High</b>            Loan interest income will drop due to the decline of repayments and no new loans are released. Most central banks have lowered interest rates; thus, credit unions would have to review their interest rates or would have to offer stimulus package for COVID 19 recovery of members.</p>	<p>Reduction on dividend rate to members</p>
	<p><b>Ancillary Income</b></p>	<p><b>Low to Very High</b>            Revenue streams from other ancillary sources, e.g. account opening fees, service fees, interest income on cash deposits will also drop.</p>	

Areas		Risk	Impacts to Credit Union Operations
<p><b>EXTERNAL BORROWINGS</b></p> 	Existing external loans have fixed agreements and would need to be renegotiated.	<p><b>Low to Very High</b></p> <p><i>Explain here the external loan and the repayment amount that will be affected.</i></p> <p><i>If the external loan was used to finance members affected by the pandemic, there is a risk that the credit unions would not be able to meet its financial obligation.</i></p>	<p><i>According to the loan contract, lender has the right to take legal action or known as 'enforcement proceedings.' Since the pandemic is an extraordinary case, flexibility by the lender could be foreseen.</i></p>
<p><b>OPERATING AND CAPITAL EXPENDITURES</b></p> 	The “new normal” protocols of the government due to COVID 19 has restricted the operations of credit unions while still incurring fixed costs (salaries, rents, depreciation etc.) plus the new expenditures which were not planned	<p><b>Low to Very High</b></p> <p>The plan of investing in capital expenditures like IT system or new branch office could be postponed or cancelled.</p>	<p><i>What it means for the credit union if capital expenditures (branch opening, IT) will be postponed and if certain operation expenditures were forgo.</i></p> <p><i>What are the tradeoffs?</i></p>
<p><b>INSTITUTIONAL CAPITAL</b></p> 	<p><b>Compliance with standard: Minimum 10% of the Total Assets</b> Credit unions with healthy financial position (at least 10% institutional capital and controlled delinquency of 5% of total assets) would be able to stand the impacts. However, credit unions that are not able to meet the sound and safety standards could face financial difficulties.</p>	<p><b>Low to Very High</b></p> <p>Credit unions may face capital adequacy issues due to deteriorated operations, including declining revenue.</p>	<p><i>Indicate the Net Institutional Capital Ratio here from March 2020.</i></p>


	Areas	Risk	Impacts to Credit Union Operations
<p><b>GOVERNANCE</b></p> 	<p><b>Board of Directors</b></p>	<p><b>Low to Very High</b> Social distancing might limit the Board in exercising their oversight responsibilities. Board meetings will not be held in person.</p>	<p>Delays in the active oversight of the board: understanding the facts on the ground and exercising thoughtful, informed and fact-based decision making related to the crisis response plans.</p>
	<p><b>Annual General Meeting</b></p>	<p><b>Low to Very High</b> Administratively, the credit union would not be able to hold the Annual General meeting of members as public gatherings are not allowed.</p>	<p>Delay in the Election of the Board of Directors, if any, Bylaws Amendments, Strategic Plan and Budget, and approval of the Financial Statements</p>
<p><b>LEGAL COMPLIANCE</b></p> 	<p>Regulations on Credit unions and other laws</p> <p>Regulators have issued regulations or circulars on social distancing, allowing the work from home arrangements, postponement of the Annual General Meeting as required by law.</p>	<p><b>Low to Very High</b> <i>Identify regulatory requirements that cannot be complied, and that the government had not given flexibility.</i></p> <p><i>Example: Guidance on the following areas has yet to be addressed: Tax breaks, reporting standards and loan provisioning on loans that have been delinquent due to COVID-19, recognizing credit unions as “essential service.”</i></p>	<p><i>What are the impacts to the credit union?</i></p>
	<p><b>Insurance</b></p>	<p><b>Low to Very High</b> It is not yet clear how insurance companies will respond in this situation.</p>	


## RISKS MITIGATION MEASURES


### MEMBERS

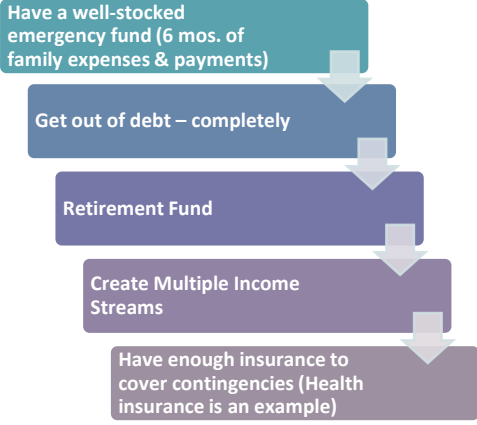
	What are you already doing to control the risks?	What further action do you need to take to control the risks?	Who needs to carry out the action?	When is the action needed?	KPIs to Monitor
<b>HEALTH</b> 		<b>Protection:</b> Provide accurate and up-to-date information which will increase knowledge, understanding and confidence and enable members to make good health decisions. The information is those issued by the government following the World Health Organization’s recommendations.			Advisory Posts on Website, Facebook, Twitter, Instagram, text blasts
		<b>Prevention:</b> Health education program should be integrated at the ownership meetings of credit unions. Experiences in COVID 19 shows that people with chronic health issues are those that easily get infected.			Training Module for Pre-member education and ownership meetings
		<b>Security:</b> Help members get access to medical care. It could be a health insurance organized by credit union. In this way, credit unions are helping members to have peace of mind knowing that they can seek medical care when needed.			– Health Savings Product design – Health insurance agreement with providers



	What are you already doing to control the risks?	What further action do you need to take to control the risks?	Who needs to carry out the action?	When is the action needed?	KPIs to Monitor
<b>ABILITY TO PAY</b> 		<ul style="list-style-type: none"> <li>Classify the members to determine the level of vulnerability of -source of income – pain points and fears.</li> <li>The Statement of Net Worth (<b>Appendix 2</b>) would be a helpful reference for the segmentation of members and the corresponding response plan such as deferment of repayment or renegotiation of loan terms and condition.</li> </ul> <p>ACCU has developed a handbook available for members on <b>Guide to Wealth Creation</b>. The book can be a resource for the federation in helping members plan for their financial future.</p>			<ul style="list-style-type: none"> <li>Scenario analysis report</li> <li>Statement of Net Worth of members as of _____ submitted</li> <li>Members Goals Workshop filed in the member file</li> </ul>
		<ul style="list-style-type: none"> <li>Demonstrate concerns by reaching out to members to understand the impact of the pandemic to their family, business or source of income.</li> <li>Use phones and social media to reach out to members.</li> <li>Use the Interview Tool for members to understand their situation.</li> </ul>			<ul style="list-style-type: none"> <li>No. of member group chats created by demographics</li> <li>Survey result using the Interview Tool for members</li> </ul>
		<ul style="list-style-type: none"> <li>Use every opportunity to help members sell their products or services during the lockdown. Credit unions can purchase</li> </ul>			<ul style="list-style-type: none"> <li>Amount of food packs supplied by members</li> </ul>


	What are you already doing to control the risks?	What further action do you need to take to control the risks?	Who needs to carry out the action?	When is the action needed?	KPIs to Monitor
		<p>members' agricultural products in their relief operations during the lock down.</p> <ul style="list-style-type: none"> <li>• Tap members who are engaged in garments to produce Personal Protective Equipment donated to the frontlines.</li> </ul>			<ul style="list-style-type: none"> <li>– Number of PPEs produced by members</li> </ul>
<b>DIGITAL CHANNELS FOR FINANCIAL SERVICES</b>  		<ul style="list-style-type: none"> <li>• Discourage dependence on cash.</li> <li>• Create targeted messaging about using alternative channels. The Kaya Payment Platform in the Philippines is a means for cooperative members to digitally transact business with the credit union, or</li> <li>• Work with digital payment providers to broaden the reach of digital channels.</li> </ul>			<ul style="list-style-type: none"> <li>– No. of members using digital channels</li> <li>– Amount of financial services made through digital channels</li> </ul>
		<p>Increase members digital literacy through online training such as on Facebook Messenger or Facebook live or Hangouts Meet or Zoom wherever and whenever applicable.</p>			<ul style="list-style-type: none"> <li>– No. of members who attended training on digital literacy</li> <li>– Monthly increase in the number of members using digital channels</li> </ul>

	What are you already doing to control the risks?	What further action do you need to take to control the risks?	Who needs to carry out the action?	When is the action needed?	KPIs to Monitor
<b>RESILIENCE</b> 		<p><b>Mental Health:</b></p> <ul style="list-style-type: none"> <li>• Extend or facilitate crisis counselling for members as they navigate this difficult time in which so many individuals and communities are being impacted by COVID-19. Members may have a variety of reactions including (but not limited to) fear, anxiety, stress, confusion, isolation, uncertainty, and depression.</li> <li>• Dedicate a social media account for which members can send message or call (Covid 19 Emotional Support Line). It is understood that credit unions are not experts, however, the crisis is an opportunity for credit unions to show how they care their members.</li> </ul>			<ul style="list-style-type: none"> <li>– Number of staff training on counselling members</li> <li>– number of members reached via group chats or video conferencing</li> <li>– Functioning COVID 19 Emotional Support Line</li> </ul>


	What are you already doing to control the risks?	What further action do you need to take to control the risks?	Who needs to carry out the action?	When is the action needed?	KPIs to Monitor
		<p><b>Financial Counseling:</b></p> <ul style="list-style-type: none"> <li>Field staff or collectors should develop competence on financial counseling or coaching and digital literacy.</li> <li>Require all staff to set at least top 5 financial goals everyone should have.</li> </ul>  <ul style="list-style-type: none"> <li>The first step is to ask staff and members to submit a Statement of Net worth to measure their financial state. The members' financial position will help in identifying appropriate actions steps.</li> </ul>			<ul style="list-style-type: none"> <li>Number of Trainers on Financial Literacy and Digital literacy</li> <li>Training manual on Financial literacy and digital literacy</li> <li>Statement of Net Worth of staff prepared</li> <li>Financial Goals plan of staff prepared (this can be in confidence. Sharing can be optional)</li> </ul>

	What are you already doing to control the risks?	What further action do you need to take to control the risks?	Who needs to carry out the action?	When is the action needed?	KPIs to Monitor
		<p>There is a need to relaunch the 360 Degrees Financial Literacy (Credit Union Business Solution n0. 16) training for members. ACCU suggests that every member should have emergency fund equivalent to at least 6 months of their family expenses. By building up a savings buffer member can be prepared to pay for unexpected emergencies without having to turn to borrowing that creates unnecessary stress.</p> <p>Having an emergency fund gives members the peace of mind to know that should something truly awful happen, such as losing your job, you can worry about how to deal with the emergency itself and not worry about how you're going to survive financially. This fund can only be withdrawn in emergencies like COVID-19 pandemic.</p>			


**EMPLOYEES**

	What are you already doing to control the risks?	What further action do you need to take to control the risks?	Who needs to carry out the action?	When is the action needed?	KPIs to Monitor
<b>JOB SECURITY &amp; MORALE</b> 		<ul style="list-style-type: none"> <li>• Make sure salaries can be paid and offer salaries in advance where possible to enable staff to buy essential items in case of lock down. Ensure staff can meet their basic financial needs during the crisis.</li> <li>• The rule of thumb of emergency savings equivalent to 6 months expenses should be required for staff after the crisis. The staff of the credit union should be first financially literate before being able to educate members on the right financial behavior.</li> </ul>			– Payroll
		Transparency on the business continuity plan.			Number of meetings with the staff seeking their inputs and sharing BCP
		<ul style="list-style-type: none"> <li>• Remain optimistic and positive in all communications.</li> <li>• Look for opportunity amid adversity in order to lift the spirit of employees like virtual team bonding.</li> <li>• Keep staff engaged in reaching out to members like clustering them in group chats.</li> </ul>			Number of sessions (online or in person) with staff


	What are you already doing to control the risks?	What further action do you need to take to control the risks?	Who needs to carry out the action?	When is the action needed?	KPIs to Monitor
		<p><b>Demonstrate flexibility:</b></p> <ul style="list-style-type: none"> <li>• During this period, accept that policies may need to be relaxed and less rigid. Show empathy to the new situations your employees find themselves in. (<i>identify the policies that will be relaxed</i>)</li> <li>• As many employees are now forced to remote work from home, credit unions should also demonstrate a level of trust that they are doing their jobs outside of the office.</li> </ul>			<ul style="list-style-type: none"> <li>– Work from home policy</li> <li>– List of policies that have been relaxed</li> </ul>
		<p><b>Virtual Team Bonding:</b> When your workforce is dispersed, it is especially important to keep your employees engaged. From virtual team lunches and happy hours, there is a need to keep them connected no matter where they are.</p>			Virtual Team Bonding format at the HR department



	What are you already doing to control the risks?	What further action do you need to take to control the risks?	Who needs to carry out the action?	When is the action needed?	KPIs to Monitor
<b>WORK FROM HOME CHALLENGES</b> 		<ul style="list-style-type: none"> <li>• Provide staff of work from home facilities if possible and necessary.</li> <li>• Use conferencing systems, social/informal communication channels like Facebook messenger, WhatsApp to engage staff.</li> <li>• Require critical staff to come to office, if necessary.</li> <li>• Offer data plans to staff to ensure they are always connected.</li> </ul>			Schedule of WFH and Skeletal staff
		Ensure daily checks between supervisors and team members.			Attendance sheet on the check ins of staff
		Develop a Work-from-home guidelines so that everyone is clear on how the system works. The sample template is in <b>Appendix 3</b> .			Work from Home Policy




	What are you already doing to control the risks?	What further action do you need to take to control the risks?	Who needs to carry out the action?	When is the action needed?	KPIs to Monitor
<b>HEALTH PROTECTION</b>  		Equip employees with any needed sanitary or personal protection equipment like disinfecting wipes, masks, gloves etc.			Guidelines to protect staff during and after the lockdown
		Suspend all in person meetings if possible and regulate visits from their parties to offices.			
		Use phones and digital channels to conduct meetings where possible.			
		Follow the most conservative advice on deep cleaning and sanitation of areas and facilities in offices and branches. The guidance from WHO currently includes distribution of sanitizers where available and encouraging frequent hand washing.			The Hygiene Measures ( <b>Appendix 4.</b> )
		Policies around sick and personal time may need to be relaxed during this time in order to ensure employees are protected.			



## CREDIT UNIONS




	What are you already doing to control the risks?	What further action do you need to take to control the risks?	Who needs to carry out the action?	When is the action needed?	KPIs to Monitor
<b>LIQUIDITY MANAGEMENT</b> 		<p>Cash flow projection should be made considering the estimate of members who:</p> <ul style="list-style-type: none"> <li>• Will not be able to make payments</li> <li>• Need to renegotiate loan terms because the business will not bring in any cash flow during the crisis.</li> </ul>			<p>Sample template on Cash Flow Projection is on <b>Appendix 5</b> to determine the:</p> <ul style="list-style-type: none"> <li>– monthly cash flow for 12 months and</li> <li>– monthly net cash position.</li> </ul>
		<ul style="list-style-type: none"> <li>• Credit unions with short liquidity positions could borrow from the federation.</li> </ul> <p><i>The federation, under its Central Finance Facility can offer a liquidity facility aimed to provide funding for credit unions in an efficient and effective manner to help maintain stability in the credit union system.</i></p>			
		<ul style="list-style-type: none"> <li>• Where possible, ensure the existing digital channels are robust.</li> <li>• If non-existent, get the help from the federation in accelerating</li> </ul>			Number of members using digital channel.


	What are you already doing to control the risks?	What further action do you need to take to control the risks?	Who needs to carry out the action?	When is the action needed?	KPIs to Monitor
<b>DIGITAL CHANNELS</b> 		access to digital channels through partnership with fintech.			
		Develop marketing and educational plan for staff and members.			Number of staff using digital channel.
		Require staff to use the digital channels so that it would be easy to encourage and train members to use it.			
<b>LENDING</b> 		Avoid granting new loans if they could lead to over-indebtedness. The financial health of the members and credit union is at stake.			Weekly/monthly loan disbursement report
		Keep credit open to support strong and viable businesses to prevent them from closing permanently due to a temporary crisis, as well as those offering products or services that provide a response/solution to the crisis.			
		Review the process in analyzing credit applications: the economic environment has changed dramatically since the beginning of the crisis, and the financial statements of credit applicants may no longer hold up.			Amendments made to policy or temporary flexibility adopted in the loan policy.

	What are you already doing to control the risks?	What further action do you need to take to control the risks?	Who needs to carry out the action?	When is the action needed?	KPIs to Monitor
		<p>Integrate Business Development Services (BDS) function. It is non-financial service offered to entrepreneurs at various stages of their business needs. These services are primarily aimed at skills transfer or business advice. The BDS can help create demand for loans and finance viable and sustainable MSMEs. Ultimately, the credit union is helping members gain dependable source of income and create employment for others. With the support of BDS, members will have opportunity to rise above the impacts of crisis.</p> <p>The BDS targets vulnerable groups who may be more challenged by the environment and cost of mainstream business services. BDS emphasized on aspects such as confidence, mastery of business strategy, pricing, market linkage, and product innovation. While the centers are run within the credit union system, they can also benefit from financial and in-kind support from local and national governments, and private philanthropists.</p>			<ul style="list-style-type: none"> <li>– Appointed dedicated person for BDS</li> <li>– Weekly/monthly loan disbursement indicating the loans granted on business</li> <li>– Policy guidelines and manual for BDS</li> </ul>

	What are you already doing to control the risks?	What further action do you need to take to control the risks?	Who needs to carry out the action?	When is the action needed?	KPIs to Monitor
<b>PORTFOLIO QUALITY</b> 		Establish different scenarios surrounding the impact the crisis will have on the income over the next three months. These are estimates on the number of members who: <ul style="list-style-type: none"> <li>• Will not be able to make payments</li> </ul> Need to renegotiate loan terms because the business will not bring in any cash flow during the crisis			<ul style="list-style-type: none"> <li>– PAR by restructured loans, member segments, operation geography</li> <li>– Monthly provisioning expense</li> </ul>
		Calculate the amount of loan portfolio that has gone delinquent due to the crisis and estimate the provisions required according to industry standards.			<ul style="list-style-type: none"> <li>– Provisioning</li> </ul>
		Maintain transparency on the loan quality to the Board of Directors and its financial impact to the short- and long-term sustainability of the credit union.			Loan Ageing Report to the Board with Management disposition

	What are you already doing to control the risks?	What further action do you need to take to control the risks?	Who needs to carry out the action?	When is the action needed?	KPIs to Monitor
<b>SAVINGS MOBILIZATION</b>  		<p>Apply the self-sufficiency or self-help philosophy. Had credit unions applied this principle, members would be able to cope up with the impacts of COVID 19. Financial education suggests that members need to have at least 6 months of their family expenses as their security savings or emergency fund.</p> <p>During the lockdown, members are relying on government or credit union relief operations to feed their families. In coping with COVID 19 and for future emergencies, credit unions are advised to revisit the implementation of self-help principle to strengthen the credit union network's resilience and self-immunity.</p>			Report on Savings Mobilization highlighting the Emergency Fund Savings
		Reevaluate the interest rate offering on savings as the market rates have changed.			
<b>REVENUE</b>  		Explore new loan offering that promote MSMEs to promote job creation for members.			New loan products
		Provide services that support value chain promotion and business development for members.			BDS' Report on the new businesses financed for members with forward and backward linkages


	What are you already doing to control the risks?	What further action do you need to take to control the risks?	Who needs to carry out the action?	When is the action needed?	KPIs to Monitor
<b>EXTERNAL BORROWINGS</b> 		Re-negotiate existing external funding including amortization schedule, interest payment schedule, and interest rate relief.			All in interest rates of existing debts
		Access grant funds, if available. This is not the time to source out external funding.			
<b>OPERATING AND CAPITAL EXPENDITURES</b> 		Reduce expenses as much as possible and avoid seeking external funding now. (identify the budgeted expenses that can be cut down)			<ul style="list-style-type: none"> <li>– Monthly additional COVID related expenses</li> <li>– Revised Expenses budget</li> </ul>
		Postpone capital expenditures planned.			Revised Expenses budget
<b>INSTITUTIONAL CAPITAL</b> 		Institutional Capital is the financial cushion of credit unions or any financial institutions during unexpected crisis. If the credit union has not met the minimum 10% of the total assets level, a plan supported by a policy should be put in place to meet the standards within reasonable timeframe.			<ul style="list-style-type: none"> <li>– Monthly ACCESS on Financial Perspective rating</li> </ul>

	What are you already doing to control the risks?	What further action do you need to take to control the risks?	Who needs to carry out the action?	When is the action needed?	KPIs to Monitor
<b>GOVERNANCE</b> 		<b>Oversight function:</b> <ul style="list-style-type: none"> <li>Exercise responsible oversight by understanding the risks facing the credit union and the impact of the pandemic to day-to-day and strategic decision-making.</li> <li>As the COVID-19 risks evolve, the Board and management must identify and manage these rapidly changing risks. The CEO/General Manager should identify the risks, propose mitigation measures for which the Board will have to approve.</li> </ul>			<ul style="list-style-type: none"> <li>Business Continuity Plan</li> <li>Monthly report to the board on the BCP implementation</li> </ul>
		<b>Employee wellbeing:</b> Evaluate employee safety. This will involve a remote or reduced workforce to minimize employee exposure and risk from the virus.			
		<b>Substitution Plan:</b> Boards and senior management must assess possible risk of illness of board members and senior management. Scenarios should be crafted and used to develop substitution plans and disclosure of these illnesses.			Substitution Plan



	What are you already doing to control the risks?	What further action do you need to take to control the risks?	Who needs to carry out the action?	When is the action needed?	KPIs to Monitor
		<p><b>Repurpose staff to member outreach:</b> one of the savviest moves is to reassign staff to member outreach. Members are facing difficult times and knowing the credit union is there to help them or just even to talk to them would be a great relief.</p>			
		<p><b>Crisis Task Force:</b> To manage the current crisis, establish a task force reporting to the board with representatives from the business, along with compliance, human relations, legal, finance, audit and security. A task force can coordinate information sharing, planning, implementation and communication to the public and other stakeholders.</p>			<p>Task Force Committee Terms and Reference (Members, scope of work, and reporting requirements)</p>
		<p><b>Remote Meetings:</b> Remote board meetings are no longer just an option – they’ve become essential. For effective meeting, the management should prepare rules of the meeting like these:</p> <ul style="list-style-type: none"> <li>• Make sure EVERYONE speaks at the beginning of the meeting. This will encourage more participation throughout and remind attendees who all is present.</li> </ul>			<ul style="list-style-type: none"> <li>– Minutes of the virtual meetings</li> <li>– Policy on the Board Virtual Meeting</li> </ul>

	What are you already doing to control the risks?	What further action do you need to take to control the risks?	Who needs to carry out the action?	When is the action needed?	KPIs to Monitor
		<ul style="list-style-type: none"> <li>• Periodically check in with remote attendees to see if they have anything to add to the discussion. You may even pause after each main topic and ask the remote board meeting participants if they have anything to add. Otherwise, it can be hard to break into a discussion from a remote location.</li> <li>• Limit side discussions. This is a great rule for any meeting, but it's especially important with video or phone attendees. If most board members are in the same room, be sure they aren't having small discussions outside the main conversation. This is a recipe to leave remote attendees out.</li> <li>• Have all preparation documents distributed well ahead of time. If everyone isn't in the same room, it's extra important that all remote board members are looking at the same materials. Regardless of how you distribute them, include another link in the video meeting invitation.</li> </ul>			

	What are you already doing to control the risks?	What further action do you need to take to control the risks?	Who needs to carry out the action?	When is the action needed?	KPIs to Monitor
<p><b>LEGAL COMPLIANCE</b></p> 		<p>Adherence to the guidelines issued by regulatory body for credit unions, and national and local government authorities. Proper documentation and communication to employees and members should be observed.</p>			
		<p>Provide feedback to national federations on the regulatory advocacy needed for the relaxing prudential norms and regulatory requirements. Some examples on the regulatory support needed by credit unions are:</p> <ul style="list-style-type: none"> <li>• Allowing the postponement of the Annual General Meeting of credit unions after the lockdown or crisis</li> <li>• Relief on the submission of the regulatory reports like the Annual Audited Financial Statements</li> <li>• Recognition of the credit unions and cooperatives as essential services</li> <li>• Guidelines on the treatment of loans that had gone delinquent due to impact of coronavirus i.e. members' ability to pay was affected due to closure of non-essential businesses</li> </ul>			

**IMPACT AND PRIORITY MATRIX (1/5)<sup>6</sup>**

<b>Low</b>	<b>Medium</b>	<b>High</b>	<b>Very High</b>		<b>Short</b>	<b>Medium</b>	<b>Long</b>

	<b>Activities</b>	<b>Impacts (Low, Medium, High, Very High)</b>	<b>Priority (Short, Medium, Long)</b>
<b>Members</b>			
<b>Health</b>	1. Protection: Provide accurate and up-to date health protocols information	<b>Very High</b>	Medium
	2. Prevention: Health education program integrated in ownership meetings and training for members.	<b>High</b>	Long term
	3. Security: Help members get access to medical care.	<b>Very High</b>	Long term
<b>Ability to Pay</b>	4. Understanding members’ pain points and fears (using Member interview on the impacts of COVID 19 – Appendix 1)	<b>Very high</b>	Medium
	5. Understanding financial standing of members (Statement of Net Worth – this should be in confidence)		
	6. Operate various platforms to reach out to members		
	7. Introduce a support program to help members sell their produce during lockdown		
<b>Digital Channels</b>	8. Tap members engaged in garments industry to produce masks and personal protective equipment		
	9. Discourage dependence on cash. Run digital literacy sessions for members.		
<b>Resilience</b>	10. Crisis counseling for members		
	11. Dedicate social media account for COVID 19 Emotional Support Help Line.		
	12. Financial counseling or coaching for members. Require members to build Emergency Fund equivalent to 6 months family expenses (basic needs plus debt service).		

<sup>6</sup> The credit union will have to decide on the category of impacts and priorities based on their situation. The impacts and priorities filled on the 3<sup>rd</sup> and 4<sup>th</sup> columns are only examples.

**IMPACT AND PRIORITY MATRIX (2/5)**

<b>Low</b>	<b>Medium</b>	<b>High</b>	<b>Very High</b>		<b>Short</b>	<b>Medium</b>	<b>Long</b>

	<b>Activities</b>	<b>Impacts (Low, Medium, High, Very High)</b>	<b>Priority (Short, Medium, Long)</b>
<b>Employees</b>			
Job Security and Morale	13. Ensure salaries paid on time and they meet financial needs during crisis.		
	14. Require staff to build a stocked emergency fund equivalent 6 months of family expenses (basic needs plus debt service)		
	15. Positive communications observed.		
	16. Virtual team bonding to lift the spirit of employees		
	17. Demonstrate flexibility – work from home applied		
Work-from-Home	18. Provide WFH facilities if necessary, internet, computer, office supplies etc.		
	19. Use conference system, social/informal communication channels like Facebook messenger, WhatsApp to engage staff		
	20. Adopt Work from home policy		
Health Protection	21. Equip employees with needed sanitary or PPE		
	22. Suspension of all in person meetings; use digital channels for training and communication with members		
	23. Follow the most conservative advice on deep cleaning and sanitation of areas and facilities in main office and branches		

**IMPACT AND PRIORITY MATRIX (3/**

<b>Low</b>	<b>Medium</b>	<b>High</b>	<b>Very High</b>		<b>Short</b>	<b>Medium</b>	<b>Long</b>

	<b>Activities</b>	<b>Impacts (Low, Medium, High, Very High)</b>	<b>Priority (Short, Medium, Long)</b>
<b>Credit Union</b>			
Liquidity Management	24. Prepare Monthly Cash Flow Projection based on scenario analysis		
Digital Channels	25. Ensure existing digital channels are robust		
	26. If nonexistent, get help from the federation in accelerating access to digital channels through partnership with fintech.		
	27. Require employees to use the digital channels of the credit union, making it easy for them to train members		
Lending	28. Avoid granting new loans if they could lead to over indebtedness		
	29. Keep credit open to support strong and viable businesses to prevent them from closing permanently		
	30. Review the process in analyzing loan applications as environment changes due to the pandemic		
	31. Integrate business development services to help members establish self-employment through MSMES.		
Portfolio Quality	32. Establish different scenarios surrounding the impact of the crisis on the income		
	33. Calculate the amount of delinquent loans that has gone delinquent due to the crisis – monthly basis		
	34. Based on the regulation issued by government, offer loan moratorium only to members whose ability to pay has been affected by the pandemic		
	35. Maintain transparency to Board and Employee on the status of the loans		

**IMPACT AND PRIORITY MATRIX (4/5)**

<b>Low</b>	<b>Medium</b>	<b>High</b>	<b>Very High</b>		<b>Short</b>	<b>Medium</b>	<b>Long</b>

	<b>Activities</b>	<b>Impacts (Low, Medium, High, Very High)</b>	<b>Priority (Short, Medium, Long)</b>
Savings Mobilization	36. Launch a saving campaign for members to build their Emergency Fund		
	37. Financial Coaching Program for members		
	38. Require staff to practice and train the staff in coaching members on financial planning		
Revenue	39. New loan offering for MSMEs		
	40. Provide services that support value chain promotion to stimulate loan demand from farmers and agribusiness		
External Borrowings or Fund	41. If exists, re-negotiate external loan – repayment period, interest or fees relief		
	42. Access grant funds or stimulus package from government, if available		
Operating and Capital Expenditures	43. Reduce expenses as much as possible and avoid seeking external funding now		
	44. Postpone planned capital expenditures		
Institutional Capital	45. Close monitoring of institutional capital		
	46. Increase the allocation to Reserve Fund from the Net Profit		
Governance	47. Board of Directors received an updated report of the risks and mitigation measures on the impacts of COVID 19		
	48. Policy or guideline on Employee Well being during the crisis		
	49. Ensure Substitution plan in place		

**IMPACT AND PRIORITY MATRIX (5/5)**

<b>Low</b>	<b>Medium</b>	<b>High</b>	<b>Very High</b>		<b>Short</b>	<b>Medium</b>	<b>Long</b>

	50. Repurpose staff to member outreach		
	51. Crisis Task Force created and functioning well		
	52. Remote meetings as guided by a guideline or policy		
Legal Compliance	53. Adhere to the guidelines issued by the regulatory body, local government and World Health Organization		
	54. Provide feedback to national federation on the regulatory advocacy needed to face the impacts of the pandemic.		



## APPENDIX 1

### Member Interview Tool to review COVID 19 Impacts

Name of Credit Union:

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What is the Area of Operation of the Credit Union?

- City
- Town
- Village or Countryside
- Mixed
- Don't know

1.	Date of interview								
2.	Time at start of interview								
3.	Member Name								
4.	Address								
5.	Do you live in a city, town, or in the countryside?	City	Town		Village or Countryside				
6.	Contacts	Mobile No.	Facebook Messenger	Others specify (WhatsApp, Viber, Instagram, Skype etc.)					
7.	How long you have been a member?	<1year		1-3Year		3-5Years		5>Years	
8.	What are the financial services received from credit union? (please specify the amount of loan received on the last column)	Accumulated savings	Yes	No					
		Loan for business	Yes	No					
		Loan to buy assets	Yes	No					
		Loans for consumption (providential)	Yes	No					
		Welfare services	Yes	No					
9.	Are you concerned about coronavirus?	Yes, very much	Yes, slightly	No, not really		No, not at all	I'm not sure		
10.	If yes: What is the top concern you have related to the coronavirus [lockdown] right now?	Access to basic needs such as food medicine and shelter	Ability to work /earn an Income	childcare	The Economy	Concern About my Health or my family health	Others, specify		

11.	So far, overall, has the financial situation of your family changed since the coronavirus?	Got much worse	Got a little worse	Stayed the same	Improved a little	Improved a lot
12.	To cope with the coronavirus situation, have you had to do any of the following? Have you:	Used money that you had been saving				
		Found new/additional work				
		Stopped loan repayments				
		Borrowed money from credit union				
		Borrowed money from MFIs or lending institution or bank				
		Borrowed money from a friend or family				
		Borrowed food from a friend or family				
		Borrowed money from a money lender				
		Sold an asset?				
		What kind of asset did you sell?				
		Done something else (please specify)				
None of above/nothing						
13.	<p>What was the largest source of income (money) for your family in the last 12 months? Please be specific for example:</p> <ul style="list-style-type: none"> <li>• If farming, what do you farm?</li> <li>• If business, what do you sell/what is your service?</li> <li>• If employment, what is your job?</li> </ul>					
14.	<p>Has your income from this source changed since the start of the coronavirus [lockdown] use local description? Has it:</p>	Got much worse	Got slightly worse	Stayed the same	Improved slightly	Improved very much
15.	Could you please explain your answer?					
16.	If yes, has there been any impact from the coronavirus on your family? Please explain.					
17.	Could you explain why it has changed?					
18.	<p>Thank you for sharing this with me. Just a few more questions now. What could CU do at this time that would be particularly helpful to you?</p>					
19.	Can you tell me, what actions, if any – by					

	friends, community, government or others – are giving you hope right now?	
20.	What is your plan to pay back the loan?	
21.	The coronavirus is affecting people in many ways. Is there anything else you would like to share about how the coronavirus has affected you and your family? Please explain.	

**End interview:** Interviewer say this at the end: *“Thank you very much for your time. I really appreciate you talking to me and sharing your experience. We will use this information to inform credit unions in which ways they may be able to make their products and services better for you (and your family). Please stay safe and well.”*

### Using the tool to respond to the crisis

The Interview Tool is a survey instrument that financial cooperatives can use to understand the situation of their members during the COVID-19 pandemic. The survey generates data that will help credit unions better serve members during and after the crisis. The survey data will also allow national federations to draw conclusions across regions in the country and for ACCU across countries and markets.

The COVID-19 Member Interview Tool is made up of **simple questions that are easy to administer**. The survey is not meant to capture nuance, rather a broad picture of who is affected and how. It does not require specialized training in data collection.

The questions in the tool are **standardized and useful in any market**. Standardized questions allow for comparisons to be made between members, over time, and across markets. If desired, qualitative and unstructured questions can be added by individual providers. For easy tabulation, the credit union can use Google Form. The staff can call the member and input the response right away to the form.

The impact of COVID will be devastating for many but not everyone will be affected in the same way, making member segmentation incredibly important. Every credit union must understand the specifics of who is affected and how, and how these change over time. This survey is designed to help credit unions uncover the differences between members in order to provide specific service to members.

For example, depending on the severity of a country’s lock-down, economic activity may be affected. Some of it may go underground. Farmers may harvest but struggle to market their produce. There will be members who still need access to credit, and those who need access to remittances and savings. Additionally, there will be opportunities for credit unions to provide other forms of support like helping members access social programs or business permits, or to provide

data to influence government policy. Survey data can help identify member segments and their needs for continuing financial services and additional support.

This survey is designed to help credit unions answer practical questions that will enable them to prioritize actions that are most important for their members and their business. These are some of the questions that the survey seeks to answer for credit unions:

- **How many members are affected and how badly?** Survey data will provide information on the following:
  - What is the impact of the pandemic on members' businesses?
  - What is the impact on other forms of income, like remittances?
  - What current capacity do members have to repay?
  - Do members have savings or other reserves to draw on, and how long will these last?
  - What coping mechanisms are members using, and what impact do these have on their livelihoods?
- ***How should credit unions support the most vulnerable?*** The data on who is affected and how badly can allow credit unions to identify who should be targeted with the greatest assistance. For many, loss of income will mean that they cannot feed themselves. This has practical implications in terms of the need for social assistance and credit union responses. Such responses might include making changes to loan repayment schedules, ensuring that members are able to continue to access their savings deposits, assisting members in accessing government assistance, increasing members' access to digital services, and more.
- ***What role can credit unions play in influencing government policies and regulations?*** The informal sector is a critical part of the economy in most of the world, but often poorly understood. Through their direct connection to members, credit unions have a unique opportunity to understand the specific needs and barriers facing the sector, and to make practical policy recommendations about what will make a difference. This is addressed at the "Legal Compliance" piece where credit unions need to provide information to national federations on regulatory requirements.
- ***How else can providers use their relationships with members?*** Credit unions are an important source of trusted information during the pandemic. Member interviews give credit unions a chance to provide additional information, connect, and support. Some credit unions are calling members to check on their mental health and issues such as gender-based violence, many are disseminating important health information over the phone and social media, others are collecting data to advocate for their members' interests to the government.
- ***How should credit unions prepare for the end of lockdown?*** The capacity of members to restart their economic activities will vary and will depend on the broader economic situation. It is likely that many people operating in the informal economy will quickly seek to re-start businesses, and therefore require capital. Regular use of the survey will enable credit unions to identify members that have economic opportunities and their needs.

**APENDIX 2 – Statement of Net Worth**

**ABC Credit Union**

<b>STATEMENT OF NET WORTH</b>			
			<b>Remarks</b>
Name			
Age			
Spouse's Name			
Spouse's Age			
Spouse's Place of Employment			
Number of Children and Ages			
Home Address			
Mobile No.			
Social Media accounts:	Facebook	WhatsApp	Viber
	Instagram	Twitter	Others
Employment/Source of Income			
Monthly Income			
Place of Work			
<b>NET WORTH</b>			
<b>ASSETS (What you own)</b>			<b>LIABILITIES (What you Owe)</b>
<b>Cash Reserve Assets:</b>			<b>Current – due within one year:</b>
Cash (on Hand)			Housing Loan
Savings in Bank			Auto Loan
Savings in Credit Union			Student Loan
Receivables (collectibles)			Credit from Stores
Others (Specify)			
<b>Equity Assets:</b>			
Investment in Business			
Share in the credit union			
<b>Retirement Assets:</b>			<b>Long-Term – due after one year:</b>
Certificate of Deposits (Time Deposit)			Loan from the Credit Union
Cash Value of Pension Plan/Severance			Housing Loan
Others (Specify)			Auto Loan
			Student Loan
			Debt from relatives, friends etc.
			Others (Specify)

<b>Real Estate (Market Value)</b>			
Home			
Rental Property			
Vehicle/Motorcycle/ Boat			
Furniture			
Jewelries			
Others			
		<b>Total Liabilities</b>	
<b>Total Assets</b>		<b>NET WORTH (Total Assets less Total Liabilities)</b>	

## APPENDIX 3.

# ABC Credit Union

Subject : Work-From-Home Policy Effectivity Date: \_\_\_\_\_

Issued by : Board of Directors Revised date: \_\_\_\_\_

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### 1. Policy brief & purpose

Due to the current COVID-19 (coronavirus) outbreak, many employees are inquiring about the ability to work from home. ABC Credit Union is implementing temporary telecommuting arrangements for employees whose job duties are conducive to working from home. However, there are some positions that require the employee to be physically present in the workplace. These employees are defined as essential personnel.

The Work from Home (WFH) arrangement intends to protect the health, safety and provides flexible working environment for non-essential staff amid COVID 19 pandemic.

### 2. Employees responsibilities

- 2.1 Adhere to all the credit union's policies and procedures
- 2.2 Be contactable during the normal span of hours via
- 2.3 Ensure fitness for work requirements are met. If staff members are unwell or unable to work due to other reasons, then leave entitlements are to be accessed
- 2.4 Designate a comfortable worksite away from the distractions around the house
- 2.5 Structure workday by planning out which tasks need to take priority and how many hours is going to be spent on each job.
- 2.6 Comply with health and safety requirements
- 2.7 Report any health, safety and wellbeing hazards, near misses and incidents
- 2.8 Maintain accurate and up to date records of hours worked at home within normal span of hours
- 2.9 By agreement, provide authorized credit union staff or other approved parties with access, where necessary, for matters such as WHS inspections, and retrieval of any credit union - supplied equipment
- 2.10 Take reasonable precautions necessary to secure the credit union's equipment.

### 3. Supervisor responsibilities

- 3.1 **Define who is eligible to work from home.** Not all job functions can be conducted remotely. Clearly lay out which teams are eligible to work remotely, and which must be in the office.
- 3.2 **Set regular working hours.** Inform when employees are expected to work, and when they should call it a day. Flexibility can be observed by setting a total number of hours i.e.,

employees are expected to work a total of 8 hours per day. It will be the discretion of the supervisor to apply flexibility based on the circumstances. Fix the daily check in time for employees under WFH arrangement.

- 3.3 **Create attendance and availability standards.** Review and sign off on records of hours worked (timesheets) as required.
- 3.4 **Continue internal communication programs, including all-hands meetings.** Schedule communication meetings including methods of disseminating information to staff who are working from home. Supplement email or text communication with frequent face-to-face and voice interactions depending on what type of discussion you are having. A typical breakdown might be:
  - **Facebook** Messenger, WhatsApp, Viber for rapid, lightweight, informal communication, and as a second touch for timely announcements.
  - **Email** for longer communications, team-wide announcements, and internal programming (like news digests).
  - **Video conferencing** for teams meeting such as google Hangouts Meet, Zoom and others
  - **Intranet** for frequently asked questions, company policies, and HR resources.
- 3.5 **Provide IT support.** Where practicable, provide equipment and tools required to perform the tasks required (does not include workstation furniture, additional services or costs). Accurately document the ownership and usage arrangements of the equipment and assets.
- 3.6 **Maintain security standards.** Instruct employees to avoid vulnerable public Wi-Fi. Instead, encourage them to use hotspots or provide encryption software. Lastly, make sure employees keep work data on work computers, not personal ones. Most commonly, this will mean that employees should only answer emails on work devices.
- 3.7 **Maintain a connection to your culture.** Continue perks and amenities as much as possible to maintain a sense of normalcy and continuity with your employees.
- 3.8 **Create a dress code.** Employees may still have to interface with members or partners via video conference; thus, employees are required to wear acceptable wardrobe in this situation.
- 3.9 **Gather feedback and iterate.** You won't get everything right the first time. Create avenues for feedback from managers and individual contributors alike. Anonymized feedback is best. Most importantly, implement changes where appropriate.

#### 4. Review

This policy is subject to policy review as the need arises. The CEO can submit a request from the Board to review the policy along with suggestions and justifications on the necessity for review.



## APPENDIX 4.

### Hygiene measures<sup>7</sup>

Although the virus probably started by a transmission between animals and human beings, the virus spreads now between human beings. According to research, one infected person can infect 2.5 people on an average. That means that it is of utmost importance to take preventive hygiene and other measures:

1. To wash the hands thoroughly and frequently with soap and water or alcohol-based hand rub; make sure that there is enough stock; make them available throughout the buildings; dispose tissues in closed garbage bins
2. Maintain at least 1.5 meter (“two arm’s length”) between people (social distancing) inside and outside the office
3. For tellers, security guards and loan officers: wear medical gloves; make sure that there is enough stock. Tellers: because physical cash (notes and coins) can be contaminated with the virus
4. Avoid touching mouth, nose and eyes
5. Avoid any biometric device usage for the time being
6. Do not shake hands
7. Sneeze or cough in the elbow (sneezing or coughing in the hands will increase the risk of further infection as the hands touch other objects)
8. Clean frequently touched surfaces of pin pads, keyboards, doorknobs, tables, countertops, light switches, phones, desks, toilets, taps, sinks etc. daily
9. Ventilate the building
10. Do not share cups, pens, cutlery etc.
11. Staff that feel ill must remain at home till they are symptom free
12. Employees who are well but who have a sick family member at home with COVID-19 should stay at home as well for at least 14 days.

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<sup>7</sup> <https://www.who.int/emergencies/diseases/novel-coronavirus-2019/advice-for-public>

**APPENDIX 5: NAME OF CREDIT UNION: \_\_\_\_\_**

**PROJECTED CASH FLOW STATEMENT - YEAR \_\_\_\_\_**

Particulars	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.	Total
<b>PROJECTED CASH RECEIPTS</b>													
Share Capital	0	0	0	0	0	0	0	0	0	0	0	0	0
Deposits	0	0	0	0	0	0	0	0	0	0	0	0	0
Loan Collection	0	0	0	0	0	0	0	0	0	0	0	0	0
Membership Fees	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest on Loans	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest from Inv.	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Loan Income	0	0	0	0	0	0	0	0	0	0	0	0	0
External Borrowing	0	0	0	0	0	0	0	0	0	0	0	0	0
Others	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Receipts</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>PROJECTED CASH DISBURSEMENTS:</b>													
Loans Granted													
Payment of External borrowing													
Acquisition of Assets													
Investments													
Withdrawal of Members Savings													
<b>Sub-Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cost of Funds:</b>													
Interest on Savings													
Interest on External Borrowing													
<b>Sub-Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<b>Governance cost:</b>														
Meeting-Board & Committees														
Annual General Meeting														
Travel														
Representation														
<b>Sub-Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Marketing and Promotion</b>														
Education/Training														
Marketing Materials														
Promotional Campaigns														
Others														
<b>Sub-Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Administration:</b>														
Salaries & Benefits														
Travel														
Utilities -Water, Electricity														
Communication														
Stationeries														
Miscellaneous														
<b>Sub-Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Projected Cash Disb.</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Projected Cash Flow</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Add: Beginning Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CASH ENDING BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## APPENDIX 6

### ABC Credit Union

Subject : Virtual Board of Directors Meeting Effectivity Date: \_\_\_\_\_

Issued by : Board of Directors Revised date: \_\_\_\_\_

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#### 1. Policy Statement

It is the policy of ABC Credit Union that a member of the Board may attend and participate in meeting from a remote location via telephone, video or internet connection, provided that such attendance and participation is in compliance with this policy and any other applicable laws.

#### 2. Prerequisites.

A member of the ABC Credit Union's Board of Directors shall be provided the opportunity to attend meeting or only one such meetings from a remote location if the member meets that following conditions and a majority of a quorum of the Board of Directors votes to approve the remote attendance;

a) Partly remote meeting:

- The member must notify the recording secretary or clerk of the Board of Trustees at least **twenty-four (24) hours** before the meeting unless advance notice is impractical;
- The member must meet one of three reasons described herein why he or she is unable to physically attend the meeting, including either: (1) that the member cannot attend because of personal illness or disability; (2) the member cannot attend because of employment purposes or the business of the ABC Credit Union, or (3) the member cannot attend because of a family or other emergency; and

b) Full remote board meeting will be conducted if it is impractical for all the Board members to physically attend the Board meeting due to national emergency crisis. Such arrangement will be temporary and will resume in person meeting as soon as the emergency is over.

#### 3. Quorum

For a partial remote meeting, a quorum must be established by members physically present at any meeting before it can be considered whether to allow a member to participate in the meeting remotely.

For a full remote board meeting, there shall always need to be a quorum established before the meeting can be made official.

#### **4. Procedure.**

- 4.1 At the start of the meeting, the chair shall announce the name of any member who will be participating remotely and the reason for his/her remote participation. This information shall also be recorded in the meeting minutes.
- 4.2 A member participating remotely for an executive session shall state at the start of the session that no other person is present and/or able to hear the discussion at the remote location, unless presence of that person is approved by a simple majority of the board.
- 4.3 All votes taken during any meeting in which a member participates remotely shall be by roll call vote.
- 4.4 The acceptable means of remote participation is: conference telephone, internet, or satellite-enabled audio or video conferencing; or, any other technology that is available that enables the remote participant and all persons present to be clearly audible to one another. The chair or in the chair's absence, the person authorized to chair the meeting shall make this determination.
- 4.5 If video technology is used, the remote participant shall be clearly visible to all persons present at the meeting location.

#### **5. Minutes.**

The member participating remotely shall be considered an off-site participant and counted as present by means of video or audio conference, for that meeting of the members is allowed to participate. The meeting minutes shall also reflect and state specifically whether each member is physically present, present by video, or present by audio means.

**ASSOCIATION OF ASIAN CONFEDERATION OF CREDIT UNIONS**

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