

286.6-225 Specific duties of board.

It shall be the duty of the board of directors to:

- (1) Act upon applications for membership or to appoint one (1) or more membership officers to approve applications for membership under such conditions as the board prescribes. A record of the actions taken by a membership officer on applications shall be available to the board of directors for inspection. A person denied membership by a membership officer may appeal the denial to the board;
- (2) Purchase a blanket fidelity bond, in accordance with any rules and regulations of the commissioner, to protect the credit union against losses caused by occurrences covered therein such as fraud, dishonesty, forgery, embezzlement, misappropriation, misapplication, or unfaithful performance of duty by a director, officer, employee, member of a committee, attorney-at-law or other agent;
- (3) Determine from time to time the interest rate or rates, consistent with this subtitle, which shall be charged on loans and to authorize any interest refunds on such classes of loans and under such conditions as the board prescribes;
- (4) Establish the policies of the credit union with respect to the granting of loans and the extending of lines of credit, including the maximum amount which may be loaned to any one (1) member;
- (5) Establish different types or classes of shares;
- (6) Declare dividends on shares and share certificates in the manner and form as provided in the bylaws; and determine the interest rate or rates which will be paid on deposits and deposit certificates;
- (7) If deemed desirable, limit the number of shares and the amount of share certificates, deposits and deposit certificates which may be owned by a member. Any such limitation shall apply alike to all members;
- (8) Have charge of the investment of funds, except that the board may designate an investment committee or any qualified individual to have charge of making investments under conditions established by the board;
- (9) Authorize the employment of such persons necessary to carry on the business of the credit union, including the credit manager, loan officers and auditing assistants requested by the supervisory committee, and fix the compensation, if any, of the president;
- (10) Approve an annual operating budget for the credit union, which shall include provision for the compensation of employees;
- (11) Authorize the conveyance of property;
- (12) Authorize contributions to civic, charitable or service organizations, subject to regulations of the commissioner;
- (13) Borrow or lend money to carry on the functions of the credit union;
- (14) Designate a depository or depositories for the funds of the credit union;
- (15) Suspend any or all members of the credit or supervisory committee for failure to perform their duties;

- (16) Appoint any special committees deemed necessary; and
- (17) Perform such other duties as the members from time to time direct, and perform or authorize any action not inconsistent with this subtitle and not specifically reserved by the bylaws for the members.

Effective: July 13, 1984

History: Created 1984 Ky. Acts ch. 408, sec. 25, effective July 13, 1984.

Formerly codified as KRS 290.225.

Legislative Research Commission Note (7/12/2006). In accordance with 2006 Ky. Acts ch. 247, secs. 38 and 39, this statute has been renumbered as a section of the Kentucky Financial Services Code, KRS Chapter 286, and KRS references within this statute have been adjusted to conform with the 2006 renumbering of that code.