

South Dakota Banker

Your Premier Source to South Dakota's Financial Services Industry | May 2018



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JO ANN BAREFOOT

Innovation expert and podcaster

Community banks face two overriding challenges. One is technology changes. The other is regulatory change and burden. While these issues seem unrelated – even polar opposites – they are actually intertwined and have the same solution. For banks to survive, they will need to build new models centered on technology.

Jo Ann Barefoot is CEO of Barefoot Innovation Group and co-founder of Hummingbird RegTech, a regtech solution for AML. She is a former deputy comptroller of the currency and hosts the podcast show, "Barefoot Innovation," available on iTunes.

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- ❖ Stacey Ackerman, Wells Fargo Bank, Fargo ND
- ❖ Dana Dykhouse, First PREMIER Bank, Sioux Falls SD
- ❖ Roxanne Henke, Author and Columnist, Wishek ND
- ❖ James Lee, Federal Home Loan Bank of Des Moines, Sioux Falls SD
- ❖ Christie Obenauer, Union State Bank, Hazen ND



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Front Cover Photos: South Dakota and North Dakota bankers tour Gettysburg Battlefield prior to the start of the ABA Government Relations Summit April 23-25 in Washington, D.C.

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message from the chairman.....

BY DAVE ROZENBOOM | President | First PREMIER Bank, Sioux Falls

Notable Accomplishments

It's hard for me to believe, but I am down to my last two "messages" for South Dakota Banker Magazine as your chairman. Last June's Quad States Convention is a long way back in the rear-view mirror, and the upcoming SDBA/NDBA Annual Convention in Fargo is seemingly right around the corner. In between, it was a positive and eventful year for the Association, its member banks and our customers.

As I reflect on the past year, a few highlights come to mind including the regional SDBA meetings we held last fall in Sturgis, Aberdeen, Humboldt and Pierre to begin the dialogue for developing the next generation of banking industry leaders throughout South Dakota. That has since led to the formation of a working group of emerging leaders who have accepted the charge to put the relevant programming in place. I am excited to see how this strategic initiative of the SDBA develops and know that it will strengthen our Association for years to come.

While President Trump has proven to be a bit "non-traditional" shall we say since taking office, he paved the way for the first comprehensive tax reform package since 1986 and helped set a new tone in Washington, D.C., that has us on the cusp of receiving approval for the first meaningful regulatory relief measures since Dodd-Frank was passed in 2010. Both are very notable accomplishments for our industry and our customers.

There will be more time for reflection next month. In the meantime, please be sure to take full advantage of all the SDBA has to offer on the education front and be sure to arrange for a strong representation from your bank at our upcoming Annual Convention in June. *(See the story on page 7.)* ■

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Dave Rozenboom is president of First PREMIER Bank in Sioux Falls. Rozenboom can be reached at 605.357.3026 or drozenbo@firstpremier.com.

NEW SDBA ASSOCIATE MEMBERS

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Craig Johnson, Business Development Manager
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Tuscan Club Consulting was created with the idea of empowering community banks to strengthen their entire compliance management system from within. I do this using several methods. I train and educate your staff on simple and effective practices that I have learned from more than 100 examinations and audits. I create efficiencies in your own reviews using statistical modeling that is simple and ready to implement on day one. I teach you how examiners conduct product and regulatory reviews. I walk you through a loan pricing review model that you can use for any loan product year after year. I share my examiner experiences so that when I'm done, you don't just have a report of findings but tools that create value, efficiencies and a robust compliance program. Don't just keep patching holes in your compliance bucket; make a better bucket. ■



from the executive office.....

BY CURT EVERSON | President | South Dakota Bankers Association

Regulatory Relief Strategies

I am putting the finishing touches on this column on April 27 upon my return home from the ABA's Government Relations Summit. I want to give a shout out to 16 of South Dakota's banking industry leaders who decided to set aside work inside the bank for a few days to focus on industry-level public policy priorities in Washington, D.C. In the world of advocacy, there is no substitute for direct banker contact with our elected members of Congress and their staff.

It goes without saying that the banking industry's national policy priority has been getting Congress to place a meaningful regulatory reform measure on the President's desk. On March 14, in an encouraging display of bipartisanship, by a vote of 67-31 the Senate approved S.2155, the Economic Growth, Regulatory Relief and Consumer Protection Act. When House Financial Services Committee Chairman Jeb Hensarling (R-Texas) received the bill, he was quick to state his desire to add more targeted provisions which had previously received bipartisan support in the House. Ordinarily, bankers would welcome and support adding more regulatory relief provisions into a bill like S.2155.

But circumstances surrounding the development and passage of S.2155 thus far have been anything but ordinary. Throughout 2017, the ranking Democrat on the Senate Banking Committee, Sen. Sherrod Brown (D-Ohio) stated his willingness to work with Chairman Mike Crapo (R-Idaho) on legislation to make well-reasoned changes to the regulatory paradigm for community banks. Early in November, Sen. Brown walked away from the negotiating table.

But other Democratic committee members stepped into the breach and kept working with their Republican peers to develop and vote in support S.2155. During Banking Committee debate, four Democrats on the committee joined with 12 Republicans to defeat 37 separate amendments proposed by other committee Democrats simply because those amendments were not part of the bipartisan package deal.

Progressives on the political left mischaracterized S.2155 to the point that those same four Democrat committee members felt compelled to produce a document entitled "FACT versus FICTION – Bipartisan regulatory relief helps Main Street and rural communities while staying tough on Wall Street." You can find a copy

of that document on the SDBA website at www.sdba.com/lobbying.

On Dec. 5, 2017, the committee ultimately approved the bipartisan compromise measure by that same 16-7 vote.

During the ensuing three months, S.2155 stayed in a holding pattern, waiting for Senate Majority Leader Mitch McConnell (R-Ky.) to calendar the bill for debate. Progressives continued their efforts to derail the compromise. Then on March 1, a motion was filed to invoke cloture on S.2155, paving the way for final passage and movement of the measure to the House of Representatives.

So the focus of banking industry trade associations at the state and national level in the weeks prior to the ABA Government Relations Summit shifted toward communications with members of the U.S. House of Representatives, encouraging prompt passage of the Senate's version of S.2155.

I reached out to Congresswoman Noem and her staff numerous times, including a letter on April 5. (*View the letter at www.sdba.com/lobbying.*) On behalf of SDBA members, I asked not only for her support for S.2155 but also requested that she encourage House Speaker Paul Ryan (R-Wis.) to "calendar S.2155 for House action as soon as possible."

Meanwhile, House Financial Services Committee Chairman Jeb Hensarling was insisting that the House should not be put in the position of rubber-stamping the Senate bill. I will be the first to laud the efforts of Chairman Hensarling as a champion of regulatory reform bills. In fact, S.2155 contains at least a dozen regulatory relief provisions that originated in his committee.

But with every passing week, the threat of election year politics derailing bipartisan regulatory reform grows. It is that political reality that prompted the SDBA to sign on with 50 other state trade associations in a joint letter to Speaker Ryan and Minority Leader Nancy Pelosi (D-Calif.), encouraging "the full House of Representatives to immediately take up and pass S.2155."

So as I began preparing for the GR Summit and the SDBA delegation's April 24 trip to Capitol Hill, I wasn't sure whether we would still be trying to push S.2155

Continued on page 21



south dakota bankers insurance & services update.....

BY MIKE FEIMER | President | South Dakota Bankers Insurance & Services Inc.

SDBA Endorses Bandura Systems

At the last SDBIS Board of Directors meeting, we invited Bandura Systems to present to Board members and the information system specialists from some of our banks to help evaluate the company's unique firewall system for banks. The webinar meeting was informative, and people were impressed. In fact, two banks signed up for the 30-day evaluation that day.

Bandura Systems pioneered the Threat Intelligence Gateway (TIG) in part with the U.S. Department of Defense. Bandura's PoliWall™ is the most comprehensive, scalable and granular TIG platform on the market. Organizations worldwide and banks across the country use TIGs for the automation and control needed to operationalize hundreds of millions of threat indicators, blocking known threats before they even reach the network firewall. Underlying Bandura's robust technology are more than 50 issued and pending patents.

The average purchase cost for a typical community bank is about \$4,000 (includes hardware and 12-month maintenance/support package). After the first year, the maintenance/support package is \$99 a month.

The average leasing cost for a typical community bank is about \$219 a month for 36 months (includes hardware and maintenance/support package for those 36 months). After 36 month, the continued renewal is \$99 a month.

The maintenance/support package includes maintenance, support, threat feed and unlimited updates.

Cyber Crime Targeting the Banking Industry

Financial cyber crime becomes more widespread in an increasingly digital world. Among financial institutions, banks have the most public-facing products and services and are thus significantly vulnerable to cyber attacks. Therefore, cyber risk is a chief concern for most banks.

Banks across the country are moving full speed ahead with cloud computing, deploying cloud-based technologies and using many devices that connect to the Internet. Unfortunately, this is happening at an increasing pace that security teams simply can't keep up with—especially considering the global cyber security skills shortage. This will inevitably lead to exploitable vulnerabilities, data breaches and regulatory compliance violations in the coming year in the banking industry.



Regulatory compliance and asset protection drive security risks and requirements in the financial industry. Bandura's PoliWall® TIG™ advanced filtering engines address PCI 3.0 and OFAC requirements with a high-degree of precision and automation utilizing real-time IP intelligence aggregated by BanduraONE™ Enterprise.

Consider these advantages of utilizing the Bandura PoliWall TIG at your bank:

- Automate your FS-ISAC membership to provide greater value—ease stress in your IT department.
- Use our reports to afford auditors an easy check in the box relating to cyber security protection.
- 30-day FREE trial and monthly HSaaS purchase options available immediately.
- We work within your budget.

Firewalls are overworked, and some are failing. Common firewalls block less than 300,000 threats. PoliWall TIG blocks 100 million IP threats ahead of the firewall with virtually no latency. Banking customers have reported that PoliWall TIG actually helps increase their firewall's efficiency thus extending their use.

Bandura Systems is an endorsed member of the SDBA and is currently serving banks across the country. We understand your challenges and are here to provide a robust cyber security solution which is easy to use—at an affordable cost.

To learn more about how Bandura's PoliWall TIG reduces an organization's attack surface, operationalizes threat intelligence and helps get more out of existing security investments, visit www.BanduraSystems.com. For a free demo, contact Regional Sales Director Dee Baebler at 314.800.3613 or Dee@BanduraSystems.com. ■

Mike Feimer is president of South Dakota Bankers Insurance & Services (SDBIS) Inc. Feimer can be reached at 605.660.2341 or mfeimer@sdba.com.



Reserve Your Seat at the 2018 Dakota School of Banking

One of North Dakota's longest-standing banking education traditions, the Dakota School of Banking has graduated hundreds of bankers since its inception in 1974. Many of these graduates are now senior-level executives, serving as president or chief executive officers of banks large and small.

Through the use of highly-qualified instructors and a challenging curriculum, the Dakota School of Banking provides a multi-dimensional educational experience in banking. Sponsored by the NDBA and endorsed by the SDBA, the 2018 Dakota School of Banking will be held June 17-22 at the University of Jamestown in Jamestown, N.D.

By completing two, one-week summer sessions and intersession projects, students develop a range of skills to enhance current performance and qualify them for advancement. First-year courses provide a banking foundation and overview, and second-year courses provide a practical application of concepts and incorporate a banking simulation.

Classroom lectures, case studies, role-playing, a computer-based simulation, networking and teamwork activities enhance learning and promote student networking. The school provides bankers with:

- A comprehensive understanding of the connections between banking functions.
- Increased knowledge and technical skills immediately applicable to daily responsibilities.
- Ideas to increase personal productivity and improve bank performance and profits.
- The opportunity to manage a successful financial institution through the BankExec simulation.
- A network of peers to call on throughout one's career.

Between the first- and second-year sessions, students complete two projects. The intersession projects reinforce concepts learned during the on-campus session and allow students to analyze real-world banking situations. Students also complete two community outreach presentations.

Learn more and register to attend at www.ndba.com. Questions, contact the NDBA at 701.223.5303. ■

2018
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ANNUAL CONVENTION

Innovate, Inspire, Ignite

As the banking industry continues to evolve, there is increasing pressure on banks to remain competitive. To chart the course for the future, bankers must explore new pathways, seek innovative partners and motivate people—all while focusing on bottom-line performance.

The 2018 NDBA/SDBA Annual Convention on June 10-12 at Delta by Marriott in Fargo will offer ideas in new formats and an opportunity for all to engage in finding practical, real-world solutions for success in today's environment. Join with counterparts from the Dakotas for three days of learning, networking, fun and friendships.

This year's convention will begin Sunday evening with a welcome party in the exhibit hall. Keynote sessions on Monday and Tuesday are:

- "The Survival Guide to Being Human" by Allison Massari
- "Understanding the Economy and the Headlines and Navigating the Markets" by Dr. Quincy Krosby
- "What Happens Next? Looking Backwards to See into the Future" by Mark Zinder
- "Innovation in Banking: FinTech & RegTech" by Jo Ann Barefoot
- "Dare to Matter" by Pete Smith

On Monday afternoon, attendees can take part in the BankPAC golf tournament or an excursion to two Minnesota lakes. The day will conclude with the Monday Bright Night Party.

Tuesday will offer several new features—a morning mindfulness meditation, ignite sessions and rapid-fire roundtables. Ignite sessions are five-minute presentations that are personal and meaningful, informative and inspiring, provocative and profound. During rapid-fire roundtables, attendees can participate in one of five facilitated discussions on hot topic banking issues.

Breakout sessions on Tuesday will provide information on tax reform's impact on the corporate tax rate, treatment of reciprocal deposits, compliance management and balance sheet management. Tuesday will conclude with a reception, dinner and entertainment by Deuces Wild Dueling Pianos.

Guest sessions include "Living B.I.G. in the Life You're In" and "Here's Your Sign."

The early bird deadline to register is May 17. See the full agenda and register at www.ndbaconvention.com. ■

Four Elected to SDBA Board of Directors

Congratulations to Dylan Clarkson who was elected to his first term on the SDBA Board of Directors and Jeff Davis, Brad Seaman and David Bangasser, who were elected to their second terms. They began serving their three-year terms on May 1.



Dylan Clarkson, Pioneer Bank & Trust, Belle Fourche

Dylan Clarkson is serving his first term on the SDBA Board of Directors, representing banks in Group V.

Banking Career:

Dylan Clarkson is president and CEO of Pioneer Bank & Trust in Belle Fourche. Prior to joining the bank in 2016, he began serving on Pioneer Bank & Trust's Board of Directors in 2014. Clarkson previously worked for American Bank in Bozeman, Mont., from 2006 to 2016. At American Bank, he performed multiple duties including commercial lending, cash management specialist and Bozeman area market manager. Prior to his banking career, Clarkson managed new automobile dealerships in the Bozeman area. He has an economics degree from Montana State University in Bozeman.

Community Involvement:

Since relocating from Montana to Spearfish in 2016, Clarkson has actively supported many nonprofits across Pioneer Bank & Trust's trade area—Black Hills Works, Belle Fourche Economic Development Corporation, American Heart Association and Special Olympics South Dakota. He previously served on a number of boards while in Montana.

Family:

Clarkson and his wife, Nicki, have one child, Ben, who is three years old.

Goals as an SDBA Director:

Clarkson looks forward to proliferating the message that community banks play a vital role in South Dakota and the nation. He would like to bolster the current momentum that the industry is gaining for "right sized" legislation. Despite recent corporate tax reform and the boon that it created for many banks of all sizes, the legislation as we all know didn't level the playing field for equal taxation of non-bank competitors.



Jeff Davis, Bryant State Bank, Bryant

Jeff Davis is serving his second term on the SDBA Board of Directors, representing banks in Group II.

Banking Career:

Jeff Davis is president and CEO of Bryant State Bank in Bryant. He grew up on a farm near Forestburg, so agriculture is in his blood. Davis began his career in 1981 with Sanborn County Bank in Woonsocket. In 1987, Davis joined First National Bank in Brookings (now First Bank & Trust) as an ag loan officer. In 1994, he joined Bryant State Bank. Davis has served on the SDBA Agricultural Credit Committee.

Community Involvement:

Davis currently serves as secretary/treasurer on his local community development and housing boards. He has also served on the school board, city council, local nursing home and church boards.

Family:

Davis and his wife, Paula, have three grown children. Robert lives in Woonsocket; Andrew and his wife, Cara, live in Kansas City, Mo.; and Stephen lives in Woonsocket.

Goals as an SDBA Director:

South Dakota banking has served Davis well, and if he can give time back to that cause, he is willing to do so.



Brad Seaman, First State Bank of Warner, Aberdeen

Brad Seaman is serving his second term on the SDBA Board of Directors, representing banks in the Country Bank Category.

Banking Career:

Brad Seaman is president and serves on the board at First State Bank of Warner in Aberdeen, where he has worked since 1996. He previously worked as assistant vice president of Day County Bank (now CorTrust Bank) in Webster from 1992 to 1996. Seaman has served several terms on the SDBA Legislative Committee.

Community Involvement:

Seaman is a past Northern State University Foundation board member and a volunteer with the Warner Stratford Lions Club.

Family:

Seaman has three children: Connor, 24; Parker, 21; and Bess, 18.

Goals as an SDBA Director:

Seaman wants to serve as an advocate for the banking community from a small bank perspective.



David Bangasser, Dacotah Bank, Sioux Falls

David Bangasser is serving his second term on the SDBA Board of Directors, representing banks in the Large Commercial Bank Category.

Banking Career:

David Bangasser is southern region president for Dacotah Bank in Sioux Falls. He began his banking career in 1982

working for Western Bank in Sioux Falls. He went on to work in St. Paul at Heritage National Bank, Firststar Bank of Minnesota and American National Bank. He joined Dacotah Bank in 1995.

Community Involvement:

Bangasser is a board member and classroom volunteer with Junior Achievement and a board member for Singing Boys of Sioux Falls, as well as past service with El Riad Shriners, Sioux Falls Chamber of Commerce and Zoological Society of Sioux Falls.

Family:

Bangasser and his wife, Karen, has been married for 36 years. They have one daughter, Megan Hartz. Megan and her husband, Dusty, have two children: Cohen, 10, and Cade, 9.

Goals as an SDBA Director:

Bangasser wants to be a meaningful advocate for all South Dakota community banks and to work with state and congressional delegates to provide a fair and level playing field to ensure that community banks have continued opportunities for success and the ability to remain key contributors in their communities. ■

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ag banking.....



L-R: First Dakota National Bank employees Amy Eldridge, Pierre; Andy Jacobs, Elk Point; and Scott Vanden Berge, Platte.



L-R: Bob Quissell, Peoples Bank, Jasper, Minn., and Greg Peterson, DNB National Bank, Clear Lake.



L-R: Jordan Wollschlager, Great Western Bank, Watertown; Reliabank Dakota employees Erik Barnes, Watertown, and David Painter, Hartford; and Great Western Bank, Watertown, employees Paul Moore and Eric Danforth.



L-R: Casey Cowan, First Dakota National Bank, Blunt; Roger Porch, First National Bank in Philip; Grant Seaman, First State Bank, Warner; Denny Everson, First Dakota National Bank, Yankton; and Dave DeBoer, American Bank & Trust, Huron.



L-R: Panelist Todd Mortenson, Stanley County; Steve Kost, Dakota Prairie Bank, Fort Pierre; and Tim Alley, Farmers State Bank, Parkston.



L-R: BankWest employees Hayden Handcock, Onida, and Liz Salmonson, Mitchell.

Snowstorm Doesn't Stop SDBA Ag Credit Conference

A late spring snowstorm which shut down the state on April 13 prompted the SDBA to condense the content of its 2018 Agricultural Credit Conference. The annual conference, which usually takes place over two full days, was held April 11-12 in Pierre.

The event began with a pre-conference session by Farmer Mac, "Winning Secondary Market Strategies for South Dakota Ag Bankers," on Wednesday afternoon, followed by an evening reception with exhibitors.

Dr. Mike Swanson kicked things off Thursday morning with his session "Profitability Through Execution: The Fundamentals." This year's conference featured three panel discussions on how to have difficult conversations with borrowers, succession planning and agricultural land value trends.

Eric Snodgrass provided a video link of his session "Managing Weather Risks in Agriculture" that attendees could watch following the conference.

Mark your calendars for the SDBA 2019 Agricultural Credit Conference set for April 10-12 in Pierre.

Thank You Sponsors

- Federal Home Loan Bank of Des Moines – presenter John Blanchfield
- Farmer Mac – presenter Mike Swanson
- Graduate School of Banking at the University of Wisconsin-Madison – Thursday lunch
- Dakota Prairie Bank – Wednesday evening reception
- AgVisors – co-sponsor of presenter Steven Knuth and the ag land value panel
- Bankers' Bank of the West – Thursday afternoon break
- Capitol Lien – Thursday morning break

Thank You Exhibitors

- AgVisors
- Conterra Ag Capital
- Diversified Crop Insurance Services
- Farmer Mac
- Purple Wave Auction
- South Dakota Center for Farm/Ranch Management
- USDA Natural Resources Conservation Service
- USDA Rural Development
- Vantage Point Solutions ■



SDBA Ag Credit Committee Chairman Scott Thompson, Farmers & Merchants Branch of First National Bank, Huron.



Presenter Ed Elfmann, senior vice president, Agricultural & Rural Banking Policy, ABA, Washington, D.C.



L-R: Exhibitors Blaine Carey, Will Walter and Lori Tonak, South Dakota Center for Farm/Ranch Management, Mitchell.

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Exhibitor Kevin Bergstrom, Purple Wave Auction, Manhattan, Kan.



Sponsors and exhibitors Tyler Waldner and Abby Kristensen, AgVisors, Redfield.



L-R: Exhibitors Patrick Essig and Kelly Pfeifer, Vantage Point Solutions, Mitchell.



Exhibitor Lee Friesen, Diversified Crop Insurance Services, Olivet.



Exhibitor Colette Kessler, USDA Natural Resources Conservation Service, Huron.



Exhibitors TJ Roemmich and Taylor Petersen, Conterra Ag Capital, West Des Moines, Iowa.



Exhibitor Jolene Pravecsek, USDA Rural Development, Huron.



Gene Uher
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Back L-R: John McGrath, First PREMIER Bank, Sioux Falls; Claire Koenecke, Pierre; Jody Bender, U.S. Bank, Rapid City; Ann Buckmiller, First Bank & Trust, Brookings; Kristina Schaefer, First Bank & Trust, Sioux Falls; Brett Koenecke, May Adam, Pierre; Rick Rylance, Dacotah Bank, Aberdeen; Steve Bumann, BankWest, Pierre; Brad Seaman, First State Bank of Warner, Aberdeen; Dave Nelson, First Fidelity Bank, Platte; and David Bangasser, Dacotah Bank, Sioux Falls.

Front L-R: Curt Everson, SDBA, Pierre; Shawn Rost, First Interstate Bank, Rapid City; Karl Adam, First Dakota National Bank, Pierre; Dave Rozenboom, First PREMIER Bank, Sioux Falls; and Paul Domke, Heartland State Bank, Redfield.



L-R: SDBA President Curt Everson shakes hands with Sen. Mike Rounds. (Photo courtesy of Sen. Mike Rounds.)



L-R: Ann Buckmiller, First Bank & Trust, Brookings, and Jody Bender, U.S. Bank, Rapid City.



Sen. John Thune addresses South Dakota bankers.

South Dakota bankers joined with more than 1,200 bankers from across the U.S. at the annual ABA Government Relations Summit on April 23-25 in Washington, D.C.

The program opened on Tuesday morning with keynote presentations by Consumer Financial Protection Bureau Acting Director Mick Mulvaney, Sen. Mark Warner (D-Va.) and Reps. Blaine Luetkemeyer (R-Mo.) and Patrick McHenry (R-N.C.). Tuesday's agenda also included a session with senior personnel from the FDIC, OCC

and Federal Reserve, as well as an advocacy update from a panel of ABA leaders.

Tuesday afternoon, Summit attendees, including South Dakota bankers, visited their representatives on the Hill to build support for the passage by the House of S.2155, a bipartisan regulatory reform bill. As bankers prepared to head to Capitol Hill, Sen. Warner, one of the Democratic co-sponsors of S.2155, charged them to urge the House to pass the regulatory reform measure immediately in its original form, warning that "this bill will not pass if

it comes back to the Senate."

On Wednesday, attendees heard from Comptroller of the Currency Joseph Otting and Fox News Chief Political Anchor Bret Baier.

On Sunday prior to the start of the GR Summit, John Blanchfield led a group of South Dakota and North Dakota bankers on a tour of Gettysburg Battlefield. Federal Home Loan Bank of Des Moines sponsored lunch. Bankers from the two states also joined for a reception sponsored by Promontory Interfinancial Network and dinner sponsored by Farmer Mac on Tuesday evening. ■

Understanding Zelle

The following is part two of a white paper published by the American Bankers Association (ABA) on understanding Zelle.

What does Zelle mean for banks?

Joining Zelle

There are two options for banks interested in joining the Zelle network. The first option involves working directly with Early Warning. Banks can either develop a Direct API into Early Warning internally or work with one of Zelle's technology integrators to do so. Banks that choose this route are responsible for managing all components of the API. Banks can contact an Early Warning Account Manager at webinquiry@earlywarning.com or contact Zelle through the "Partners" page at www.zellepay.com. For information about the costs of implementing Zelle, please contact Early Warning directly.

Alternatively, banks that receive technology services from FIS, Fiserv, Jack Henry or Co-Op Financial Services can learn more about adopting Zelle by contacting their core relationship manager. The four core processors have entered into an agreement with Early Warning to resell Zelle to their bank clients in place of their legacy payments products. Resellers have the ability to help banks with integrating all necessary components of the Zelle experience.

All in-network banks operate under the same set of rules for payments, disputes, settlement and common user experience. Integrations can take as long as six to 18 months depending on a bank's current capabilities, and there is often a waiting list. There are a number of components banks should consider as they determine how best to integrate into the Zelle network:

User Experience—In-network banks will need to integrate the Zelle branding and user experience into their mobile banking app. Banks that outsource mobile app development will need to partner with their outsourcer to integrate Zelle. Banks must also allow customers to manage preferences within the Zelle app. For example,

allowing the user to choose to receive notifications via SMS or email and providing the ability to turn off notifications.

Network Directory—In-network banks agree to develop and support integration of the Zelle network shared directory API, also known as the alias directory. Banks are also expected to maintain the relationship of customers' account numbers to their email and mobile number.

Risk/Compliance—Banks are responsible for doing the risk assessment on transactions before sending them to the Zelle network. Once transactions have been sent to Zelle, the sending bank assumes liability. Zelle provides receiver side data to assist with risk assessments.

Banks are also required to contribute account owner elements (AOE) and fraud data to Zelle. AOE data helps Zelle tie debit card users to their identities to mitigate fraud. Fraud data allows Zelle to continuously improve and evolve its fraud strategies.

Moving the Money

While money sent over the Zelle network appears immediately in the recipient's account, the funds are actually settled behind the scenes afterwards. Despite this delay, funds are made immediately available for use by the consumer.

In-Network to In-Network

If both customers in a Zelle transaction are using in-network banks, the sending bank will conduct a risk assessment of the customers and send the transaction to the Zelle network. Zelle sends a notification to the receiving bank that, through a service level agreement, has five minutes to make the funds available to the recipient. Despite the immediate availability of the funds, settlement takes place over the normal ACH cycle. As was discussed above, banks are responsible for doing the risk assessment on these transactions before they are sent into the network. Once the transaction is sent to Zelle, the sending bank assumes the risk of the transaction.

In-Network to Out-of-Network

Payments sent to out-of-network users leverage the Visa and Mastercard payment rails. In-network banks are set up as an acquirer with an acquiring VIN for Visa and an acquiring VIN for Mastercard. Once a transaction is sent to the network, Zelle completes the acquiring processing on behalf of the in-network bank. Zelle originates an original credit transaction (OCT) over Visa Direct or Mastercard Send using the in-network bank's VIN. Visa and Mastercard have 30 minutes to make funds available to recipients. At the end of the day, the in-network bank sends either a wire transfer or ACH to Visa or Mastercard. The liability for in-network to out-of-network transactions always lies with the in-network acquiring bank.

Marketing to Customers

In-network banks and Zelle are both involved in the marketing and consumer messaging around Zelle. The Zelle Rhythm and Flow Campaign consists of display banners, 15-second informational videos, digital audio and radio ads, paid social, paid search, TV, print and out-of-home marketing. Zelle provides marketing and messaging materials for all areas of the bank as a benefit to in-network financial institutions.

If your bank is not part of the Zelle network, it may still be valuable to educate customers that choose to tie a bank-backed debit card to the standalone Zelle app. More information about the standalone Zelle app user experience can be found above. Common questions include:

Can I use Zelle if it is not offered by my bank?

Yes. Consumers with debit cards linked to a U.S. bank can download the standalone Zelle app.

Can customers connect more than one bank account to their Zelle profile?

As of now, customer can only connect one bank account to their Zelle profile at any given time. Though, customers can change which account is associated with their profile.

How do customers change the bank account linked to their Zelle profile?

The process may vary for customers that access Zelle through their bank's mobile app. Customers may be able to change the account associated with their Zelle profile by viewing the setting options within their bank's mobile app. Users can select a different account associated with that financial institution or unregister the phone number or email associated with the account. Customers can contact their bank's customer support team if additional help is needed.

Customers that use the standalone app should call Zelle at 844.428.8542 for help removing their current account.

Why am I receiving an error message that my card is ineligible?

Zelle only accepts Visa or Mastercard debit cards.

Some debit cards do not yet have the capability to receive money in minutes. Those cards that are not "fast funds enabled" can't be used with Zelle. Additionally, Zelle does not currently support debit cards linked to accounts based in a U.S. territory.

Why is Zelle telling me that I am already enrolled?

Customers receive this message if their mobile number or email address is already enrolled with a bank, a credit union or with clearXchange.com. Customers that are unsure where they initially enrolled can contact Zelle customer support.

Why have the funds I sent not arrived in my recipients account?

Customers should first check if the payment status is pending; the recipient may not have enrolled yet with Zelle. If the payment status is complete, the funds are already available in the recipients account, or will be within three business days for newly-enrolled profiles. Otherwise, customers should contact Zelle customer support. ■

Part one of "Understanding Zelle" appeared in the April South Dakota Banker Magazine. In addition to the paper on Zelle, ABA has also published supplements on regtech, biometrics, APIs, digital lending and blockchain technology. Bankers can access the papers—which are available free to ABA members—as well as other fintech resources by visiting www.aba.com/fintech. For more information on Zelle, visit www.zellepay.com.



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Getting New Board Members on Board

How to identify, evaluate and train individuals to fulfill this vital governance role

By Jeff Kelly, Vice President of Governance, Risk and Compliance, OnCourse Learning Financial Services



These days, one of the more challenging roles to fill within a financial institution is a seat on the board of directors. While board members play a vital role in an institution's overall governance as well as provide significant fiduciary guidance, the process of identifying, evaluating and providing onboarding and ongoing training for these individuals is often overlooked.

With a board member's personal reputation and assets on the line, it is more vital than ever to find community leaders who are not only well respected but have the wherewithal to guide the bank with integrity from a strategic perspective.

To take a deep dive into the evaluation, acquisition and training of a board member, we asked the principles of banking training and coaching company, St. Meyer & Hubbard – Bob St. Meyer, president, and Jack Hubbard, chief experience officer – to share their insights gleaned from 40 years of banking and sales experience.

Risk and Responsibilities

The challenges banks face in getting board members up to speed on their director role became apparent in their discussion of some of the key responsibilities of boards for financial institutions.

Hubbard, who is board member of a Chicago area community bank, suggests three main director duties involve fiduciary, advisory and strategic oversight.

- **Fiduciary:** "Clearly, the fiduciary responsibility of boards of directors is critical," Hubbard said. "The buck stops there."

Many potential board members are reluctant to join a bank board because the accompanying liability of taking on the role, according to Hubbard. He cited the significant legal consequence that can occur if board members fraudulently or unwittingly approve unsound loans or look the other way when something unseemly takes place.

- **Advisory:** The advisory role is also critical to a bank's success. This role can be especially challenging for individual board members who do not have a background in banking or who are not able to keep up with the ever-changing banking laws and regulations, according to Hubbard.

How far a board member goes into the business of bankers is a legitimate concern. "Board members should



not seek to run the bank day-to-day, but it is important to share their expertise and provide their perspective," Hubbard said. "It isn't possible to do without some working knowledge of the industry."

- **Strategy:** According to Hubbard, strategy is where diversity in experience is extremely important.

"It is absolutely vital, not only that banks get people involved from other industries but from other disciplines that can help from a strategic perspective," Hubbard said.

But that does not always happen.

"Often, banks bring someone onto the board because they do a lot of business with the bank or they are a big deal in the community," Hubbard said. "That sounds good on the surface, but then they get into a full board or a committee meeting and they can't contribute anything."

Evaluation Process

Instead of leaving a board member's success up to chance, each financial institution should begin by proactively identifying and selecting the best candidates for its board, according to St. Meyer.

"Many board members don't understand what their role is supposed to be going in," St. Meyer said. "When selecting a board member, whoever is doing the hiring should be ready to explain two or three key priorities or responsibilities. That should be done during the interview and vetting process."

That conversation helps potential candidates better assess the work that needs to be done. Both the bank and the future board member must go into this relationship with their eyes wide open.

"A bank should know what they are looking for when considering candidates," Hubbard said. "The evaluation of new board members includes the targeting

of qualified individuals who bring a unique and valuable perspective to the table. It's not enough any longer to have one lawyer, one accountant and one Realtor on the board. Today, it is vital to seek specialized skills, look for targeted business expertise and bring diverse interests and competencies to the board table."

Getting Them Up to Speed

Board members are no different than new bankers. When they are brought onto the team, they need to be properly and effectively onboarded and trained similarly to any new employee joining the bank. It's the only way to make each productive.

"You have brought on someone you believe has the requisite skills to help the bank progress," St. Meyer said. "They may not know the jargon or the shorthand and even reading the board reports might be a challenge."

How a new board member is introduced to the information they need to become a successful contributor at board meetings is important. When a new board member joins the bank, Hubbard suggests the following ideas to ease the onboarding process.

- **Pre-meeting reading materials:** Provide some relevant and current information about the industry and high-level overviews of key laws and regulations before the board member's first meeting and as laws and regulations are updated.
- **Strategic and tactical plans:** Share current plans and those from the past three years to help the board member understand where the bank has been and where it is going.
- **Job aides:** Provide a one- or two-page sheet of some of the abbreviations they might hear at meetings. For example, what is Regulation H? What are some key lending ratios the bank is looking for? What are some policies and procedures such as CRA and ALLL?
- **A day with bankers:** Have the new member spend time in several departments to understand what each does and how they work in concert for the benefit of the bank and the customer. This also helps humanize the new board member.

Bored? Or board engagement?

Engaging the board is the chairman's responsibility. He or she is a meeting facilitator who needs to pull members into the conversation, according to Hubbard.

Hubbard and St. Meyer said in order to establish productive and engaging board meetings, there needs to be trust between members and executives. This can take time to establish, and this trust has to be carefully managed.

"It's one thing to have a board member learn that this is a relevant question to ask the leadership; it is another issue to understand when and how to ask those questions," St. Meyer said.

"With all the changes in financial services, it is

incumbent upon us as board members to stay current with industry trends," Hubbard said. "It is up to the bank to provide board members with tools to stay informed and up to speed."

Tips for Board Participation

Banks can encourage participation by board members and foster a sense of collaboration among them and the bank through ongoing formal and informal education of the board members, according to Hubbard. Some suggestions include:

- Create a formal onboarding process for new board members.
- Designate a banker buddy to help new board members better understand how to get things done and to build trust.
- Survey or engage in a discussion with each member to gauge understanding on pressing topics.
- Share regular communication with the board about essential banking topics through memos, articles or by uploading information to a board portal on your bank's share drive.
- Offer packets of relevant information and/or links to appropriate topic sources before meetings.
- Present e-learning and self-paced learning opportunities on key topics.
- Hold an annual one-day, off-site meeting that combines business and social activities. This helps board members and bankers get to know each other better.

Creating an Atmosphere of Collaboration

One way to evaluate overall board engagement is if all board members are asking questions, making recommendations and actively participating in meetings. To assist with meeting focus, consider asking board members to leave their cell phones outside the meeting room.

Some questions to ask when this collaborative atmosphere is not apparent during board meetings are:

- Is the agenda engaging?
- Is the board packet full of one-dimensional reports or do the reports lead to insightful discussion?
- Does the chairman explain situations, policies and laws well enough for board members to make valid decisions?
- Are sales and marketing topics discussed? Are they at the top of the agenda to help the meeting start off with good energy?
- Is there an executive session at the end of the meeting where confidential topics can be discussed without management present?

Continued on page 21

bank notes.....

Dacotah Bank Helps Fund Grow South Dakota



Front L-R: Kevin Wegehaupt and Brenda Krause with Dacotah Bank and Lori Finnesand and Rebecca Honl with Grow South Dakota. Back L-R: Jared Groos and Mark Nelson with Grow SD.

Northeast South Dakota Economic Corporation, publicly known as Grow South Dakota, has received a \$5,000 donation from Dacotah Bank.

According to GrowSD's CEOs Marcia Erickson and Lori Finnesand, Dacotah Bank's contribution will be directed to the agency's revolving loan fund as matching funds. The donation will position GrowSD to request a larger grant from the Community Development Financial Institutions Fund of the U.S. Treasury and increase the organization's impact in its service area.

"Supporting Grow South Dakota truly works to improve the region's business climate and housing opportunities," said Rick Rylance, Dacotah Bank's senior vice president of financial services. "At Dacotah Bank, we know the vitality of the region is key to continued economic stability and growth."

GrowSD is a statewide non-profit organization that provides programs and loan products to advance housing, community and economic development. ■

Dacotah Bank Provides Grant in Lemmon



L-R: Brad Derschan and John Lopez with Lemmon Area Charitable Economic Development (LACED); Travis Ellison, market president, Dacotah Bank, Lemmon; and Garrett Schweitzer, LACED.

Lemmon Area Charitable Economic Development has received a \$2,000 grant from Dacotah Bank for improvements to Boss Cowman Square. These funds will support the improvements scheduled for sidewalk repair, replacement and accessibility.

The Boss Cowman Square is only a year old and has already become a popular destination for visitors to Lemmon. The once vacant lot has been transformed into a popular place for gathering, events and honoring the people who have made Lemmon the exemplary rural community it is today.

"So many have contributed to the progress of this project. As it nears completion, I would like to thank the local citizens and businesses that have made this possible," says Dave Johnson, executive director of Lemmon Area Charitable Economic Development. "Special thanks to Dacotah Bank for its generous contribution to the completion of the sidewalk project." ■

Security First Bank Recognized for Innovation

Security First Bank recently received an FIS Impact Award in the banking category for its innovative use of FIS technology to provide instant-issue debit affinity cards to customers in rural areas.

Security First Bank produces custom debit cards featuring high school mascots and logos for 12 schools in its southwest South Dakota and Nebraska communities, including some of the smallest and most isolated towns in the region, such as Martin, S.D., and Cody, Neb. Several



of the schools didn't have official artwork or a logo for their school, so the bank's designer created logos for them and donated the art files to the schools for their use.

A global leader in financial services technology, FIS recognizes clients that are using FIS technology or services in innovative ways to better serve their customers and drive tangible business results.

For each of the winning entries, the FIS Foundation is making a \$10,000 donation in the client's name to charitable organizations designated by the clients. Security First Bank will be recognized at the annual FIS InfoShare Conference on May 14-16. ■

Harlan Levy to Oversee Wells Fargo's Government Relations



Harlan Levy is Wells Fargo's new northwestern region director for state and local government relations. As a senior vice president for government relations and public policy, Levy will coordinate Wells Fargo's legislative and political agenda in Alaska, Idaho, Montana, North Dakota, Oregon, South Dakota and Washington.

Prior to joining Wells Fargo in 2018, Levy served as director of U.S. government relations at McDonald's Corporation, where he led state and local legislative and regulatory activities in the western half of the country. Before that, Levy served as the Oregon state director for the National Federation of Independent Business and the director of government affairs at the Oregon Association of Realtors.

Levy is an active member of the Oregon State Bar and the Oregon State Bar Corporate Counsel Executive Committee. He earned a B.A. in history from the University of Pennsylvania and a J.D. (with certificate in environmental and natural resources law) from the Lewis and Clark Law School. ■

Joe Bartmann to Lead Dakota Resources



After a thorough executive search, Joe Bartmann has been named president of Dakota Resources. An SDBA associate member, the nonprofit organization is a widely recognized leader in rural economic and community development, based in Renner, S.D.

"I believe right now is the time for rural communities to be bold, to be visionary and to be more than we ever thought possible," Bartmann said. "More than ever, I'm committed to helping local people do the best work of their lives for their rural communities."

Bartmann's experience includes three years as vice president of community innovation at Dakota Resources, where he led the organization's local rural leadership development initiatives. He is an experienced nonprofit executive, facilitator, community coach and economic development leader.

Bartmann is passionate about empowering rural leaders and their communities through capital and leadership development. He was recently selected as one of just 25 BALLE Local Economy Fellows chosen from an international pool of rural leaders in 2018.

The appointment follows the retirement of former president, Beth Davis, who successfully grew Dakota Resources through 25 years of leadership. ■

Promontory Ranked as Best Fintech to Work For

Promontory Interfinancial Network, LLC, a trusted provider of FDIC-insured deposit services, celebrates its ranking as first among 20 companies named as "Best Fintechs to Work For," the first-ever best places contest of Fintech companies published by American Banker.

The American Banker ranking cited Promontory Interfinancial Network's commitment to internal transparency and employee retention as key reasons the company placed first in the review. It was the third such honor the company has received in the last five months.

Last October, both the Washington Post and the Washington Business Journal named Promontory Interfinancial Network among the Best Places to Work in the greater Washington, D.C., area.

"We're pleased to receive this new honor from American Banker, especially as it recognizes those qualities we've worked so hard for so long to achieve—developing trust among our employees, placing great importance on open and honest communications, and encouraging feedback at every opportunity," said Mark Jacobsen, CEO and president of Promontory Interfinancial Network.

For more information about Promontory, an SDBA associate member, contact Steve Davis at sdavis@promnetwork.com, or 866.776.6426, ext. 3478. ■



Brian J. Gatzke, ARA, MBA
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• Rural Residential	• Lake Properties
• Commercial Properties	• Estates, Donations, & Trusts

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classifieds.....

Ag Lender, Plains Commerce Bank, Sioux Falls, S.D.

Plains Commerce Bank is looking for an experienced, energetic, self-motivated person to fill a full-time ag lending position at its 49th Street Sioux Falls location. Qualities of a successful candidate include: three-plus years ag lending experience required, an agricultural background, strong relationship management and interpersonal skills, commitment and enthusiasm for community banking, general computer skills and able to learn new programs, teamwork, and ability to work under pressure. Responsibilities of this position include (but not limited to): Identifying, pursuing, and developing potential ag loan and deposit opportunities, preparing and presenting potential loan requests, performing farm inspections, evaluating cash flows and farm business plans, maintaining proper loan files, and representing/promoting a positive image of the bank through involvement and/or participation in the community, charitable organizations and agencies. Travel required. We offer a competitive compensation and benefits package. Visit www.plainscommerce.com/careers to apply. Member FDIC. Equal Housing Lender. ■

Bank Accountant/Senior Analyst, Security State Bank, Chancellor, S.D.

Security State Bank is a leading agriculture and small business bank in Eastern South Dakota and Southwestern Minnesota. We have an opportunity for a bank accountant/senior analyst to join our dynamic team. The position will be located at our office in Chancellor, S.D. This is a great opportunity for a highly-motivated individual to make a big impact in our fast-paced, growing organization. In your role, you will conduct extensive independent credit analysis on existing and new clients in association with senior bankers; comprehensive credit administration supervision; review customer accounts/portfolios in order to identify credit quality issues; conduct specialized analysis and prepare specialized reports on loan quality/portfolio quality; perform economic and industry analysis, financial projections and risk assessments. Qualifications: bachelor's degree in accounting and finance; five years of accounting experience; excellent analytical, problem solving and attention to detail skill set; self-motivated-self starter; agricultural background preferred. EOE. Please submit credentials and compensation requirements to: John J. Baumiller, President, at johnbaumiller@banksecuritystate.com. ■

Commercial Loan Officer, Pioneer Bank & Trust, Buffalo, S.D.

Pioneer Bank & Trust is looking to hire a full-time lending officer to join our team. The successful candidate will be exposed to the following types of lending: commercial real estate acquisition/refinance and term loans, commercial and industrial related financings that include revolving lines of credit, agriculture revolving lines of credit and term real estate loans, residential housing/construction, consumer loans and SBA loans. Responsibilities: Soliciting, negotiating, underwriting and servicing a variety of commercial loan and deposit relationships. Evaluate the financial condition and creditworthiness of individuals/businesses. Promoting the bank externally and referring customers to appropriate staff for new services. Experience: Bachelor's degree and five-plus years of commercial lending experience preferred or related experience

will be considered. Please submit resume to lyndsays@pioneerbankandtrust.com. EOE AA M/F/Vet/Disability ■

Compliance Officer, Hilltop National Bank, Casper, Wyo.

The compliance officer assists with the implementation and administration of all aspects of the bank's compliance management program. Prepares information for various committee meetings. Conducts risk assessments, assists with audits. Leads quality control reviews related to BSA, AML, OFAC, and CIP. Maintains a proficient knowledge of all compliance related regulations. Assists in development of procedures to mitigate risk. Ensures compliance with all applicable reporting and record-keeping requirements and related regulatory requirements. Requires experience in a variety of bank compliance areas. Bachelor's degree and three years of related experience or the equivalent combination of education and experience. Work-related experience should consist of an in-depth background in bank compliance and bank regulations. Strong verbal and written communication skills, high attention to detail. Excellent customer service and computer skills. Knowledge of bank products and services, related state and federal regulations, and bank operational policies and procedures is preferred. Hilltop National Bank is an EEO Employer. Please apply in person at 300 County Club Road, Suite 307 or submit confidential resume to HRDirector@HilltopNationalBank.com. ■

Credit Analyst, Security State Bank, Tyndall, S.D.

Security State Bank in Tyndall, S.D., has an opening for a credit analyst. This is a great opportunity for a motivated, progressive individual with a four-year college degree. This position will allow the successful candidate to begin a career in southeastern South Dakota that has the potential to grow and evolve with a banking organization that consistently sets the standard in community banking. The successful applicant will participate in all facets of lending and branch banking with emphasis in analyzing our commercial customer's financial condition. A strong sense of business opportunities, together with the creativity, energy and enthusiasm necessary to formulate and implement business development strategies is essential. Strong interpersonal communication and analytical skills, as well as the ability to practice sound decision making are required. A degree in agricultural business, finance or related area is required. This position will give you an opportunity to join a progressive banking organization that offers a competitive salary and benefits package. Successful applicant must pass pre-employment screening including credit history and criminal background check. Please submit resume to Dave Sutura, Security State Bank, PO Box 9, Tyndall, SD 57066. EOE ■

VP Loan Operations Manager, Plains Commerce Bank, Sioux Falls, S.D.

Plains Commerce Bank is looking for an experienced, energetic, self-motivated person to fill a full-time VP loan operations manager position in our Sioux Falls location. Qualities of a successful candidate include: four-year degree in business/accounting related field, five or more years of related experience including management experience, good understanding of industry best practices, excellent oral/written communication

skills, able to communicate effectively across a broad base of internal and external customers, and be an excellent team builder. Candidate should build and reinforce collaborative efforts, recognize team members' unique contributions and bring out the best in people, encourage cooperation between members of own team and others, and emphasizes quality and timely service to the team's "internal customers." Employee will be responsible for developing and managing the centralized loan processing, document preparation, and servicing function for the bank, writing and implementing/training standard processes and procedures for the loan operations area of the bank. This will include procedures for ticklers, document preparation, and all other related loan operations functions including assisting with procedures for imaging, full understanding of the loan accounting system. This will include such things as: backdating, participations, shadow accounting, ORE (other real estate owned) accounting, imaging, tickler system, rate and type codes, etc. Visit www.plainscommerce.com/careers to apply. Member FDIC. Equal Housing Lender. ■

If you have a job opening at your bank or something to sell, send your classified listing via email to ademers@sdba.com and we will post it on the SDBA website and print it in the South Dakota Banker Magazine. The fee is \$50 per ad (200 word limit) for SDBA members or \$100 per ad (200 word limit) for non-members. Questions, call 605.224.1653.

Regulatory Relief Strategies...continued from page 5

out of the House and onto the President's desk, celebrating a bill signing ceremony in the oval office or some other unknown scenario. Prior to heading to the Capitol on Tuesday, the chair of the Financial Institutions and Consumer Credit Subcommittee, Congressman Blaine Luetkemeyer (R-Mo.) told attendees that House Financial Services leadership was preparing to amend S.2155 to provide additional measures of regulatory relief for community banks. Doing so would require a return trip for S.2155 to a Senate reluctant to allocate more debate time on regulatory relief for financial service providers, potentially putting final passage of S.2155 in peril. I began to feel like good old Charlie Brown with his favorite football in the hands of Lucy.

But immediately prior to putting this column to bed, I learned that at an April 26 U.S. Chamber of Commerce event, Hensarling stated that he may drop efforts to amend S.2155. Instead, he expressed openness to advance additional proposals in a separate bill.

We may get to kick that football after all! ■

Curt Everson is president of the South Dakota Bankers Association in Pierre. Everson can be reached at 605.224.1653 or ceverson@sdba.com.

Getting New Board Members on Board...continued from page 17

- Does the bank ask board members to take an annual survey to assess the meetings, the information they receive and other topics?

Detecting Training Gaps

During the evaluation and onboarding process, it may become apparent that individual board members or the entire board could use training in certain areas.

An uninformed board not only leads to poor execution, it can be a precursor to lawsuits or worse. St. Meyer & Hubbard sees training gaps in all areas within the board process.

"Lending is certainly the number one thing," Hubbard said. "If you don't understand what you are doing when evaluating and approving loans of any size, you are putting the bank's capital at risk."

Hubbard suggests providing some level of credit training for directors to ensure they have adequate knowledge to actively participate in the loan approval process.

"If you could get board members to take an e-learning class or have someone come in and say here are some of the things you ought to know about making a loan and approving a loan, that would be beneficial," Hubbard said. "All board members need is the basics so they can ask the right questions before the up or down vote is cast."

Additional Best Practices

Beyond evaluating candidates and assessing and training board members, here are some additional best practices to keep in mind when filling board roles.

- Have the board composition reflect the diversity of the communities it serves.
- Consider having one board member that is somehow connected to financial services. This provides an outside and objective sounding board and a voice of experience in the industry.
- Have each board member understand his or her key role in helping the bank grow. Some banks require each board member bring a qualified lead to each board meeting.
- Determine if creating a sales or customer experience committee for the board members to join is worthwhile. Less than 10 percent of banks in the nation have such a committee. ■

Jeff Kelly is vice president of governance, risk and compliance for OnCourse Learning Financial Services, a leading provider of governance, risk and compliance training for the bank, mortgage, credit union, gaming and nonbank financial services industries. Kelly has more than 10 years of experience in the banking sector. For more information on OnCourse Learning, an SDBA associate member, visit www.oncourselearning.com.

Seminars/Conferences/Webinars/Schools

SDBA EVENTS

2018 NDBA/SDBA Annual Convention

June 10-12, 2018 | Fargo

SDBA Bank Technology Conference

Sept. 11-12, 2018 | Sioux Falls

SDBA Lead Strong: Women in Banking Conference

Oct. 2, 2018 | Sioux Falls

ABA National Agricultural Bankers Conference

Nov. 11-14, 2018 | Omaha

WEBINARS

For a complete list of webinars, visit www.sdba.com/webinars.

May 7, 2018

Lending 101

May 8, 2018

Health Savings Accounts—Beyond the Basics

May 8, 2018

Branches in the Digital Age: How to Reset Your Branch Network

May 9, 2018

2018 Most Common Regulation O Concerns

May 10, 2018

FFIEC Mobile Services Guidance Review

May 10, 2018

20 Legal Account Ownerships, Titles, Sample Signature Cards and Legal Documentation

May 11, 2018

Accounts Receivable and Inventory Financing

May 14, 2018

Commercial Real Estate Lending: Cash Flow Analysis & Cap Rates

May 15, 2018

Introduction to ACH: The Basics

May 16, 2018

Flood Insurance: Compliance Issues

May 17, 2018

Escrow Accounts Compliance

May 17, 2018

Critical Issues on Certificates of Deposit (CDs)

May 18, 2018

Call Reports: RC-C Loan Coding and Related RC-R Reporting

May 21, 2018

For Bank Managers: How to Hire Bankers Who Will Sell

May 22, 2018

Common Pitfalls of ARM Disclosures

May 24, 2018

New BSA Officer Training

June 1, 2018

Bank Call Report Preparation for Beginners—Part 1 (Five-Part Series)

June 4, 2018

Using Personal Tax Returns for Global Cashflow: What's Cashflow and What Isn't

June 5, 2018

Call Center Representative Training

June 5, 2018

TRID Checkup

June 6, 2018

Protecting Your Salaried-Exempt Status

June 6, 2018

Basics of Real Estate Loan Documentation

June 7, 2018

25 Baseline Controls Banks Struggle to Implement

June 7, 2018

Signature Card Danger Zones

June 11, 2018

CRA—A Law or a Game

June 12, 2018

Onboarding Your New Hire

June 13, 2018

Excel Explained: Pivot Tables 101

June 14, 2018

Limited Liability Companies: Do's and Don'ts

SCHOOLS

GSBC Community Bank Investments School

May 20-24, 2018 | Denver, Colo.

Dakota School of Banking

June 17-22, 2018 | Jamestown, N.D.

National School for Experienced Ag Bankers

June 25-29, 2018 | Spearfish, S.D.

Graduate School of Banking at Colorado

July 15-27, 2018 | Boulder, Colo.

GSBC Community Bankers Summit

July 23-25, 2018 | Boulder, Colo.

Graduate School of Banking at Wisconsin

July 29-Aug. 10, 2018 | Madison, Wis.

SDBA IRA School

Sept. 5-7, 2018 | Sioux Falls

GSB Financial Managers School

Sept. 9-14, 2018 | Madison, Wis.

GSBC Workshop on Community Bank Investments

Sept. 12-14, 2018 | Las Vegas, Nev.

GSB Strategic HR Forum

Sept. 27-28, 2018 | Minneapolis

GSB Sales and Marketing School

Oct. 14-19, 2018 | Madison, Wis.

GSB Bank Technology Security School

Oct. 21-26, 2018 | Madison, Wis.

For more details and to register for a training, visit the SDBA's online event calendar at www.sdba.com/events.

Or contact the SDBA's Halley Lee at hlee@sdba.com or 800.726.7322.

South Dakota Bankers Association 2019 Scenes of South Dakota Calendar



The South Dakota Bankers Association is pleased to offer you the Scenes of South Dakota Calendar. This calendar will feature photos of South Dakota submitted by South Dakota bankers, their family members and customers. Your bank logo and name can be printed on each calendar to display in homes and businesses all year long. **Calendar orders are due by September 1, 2018, to get the low price of \$1.19* per calendar. Each order will have an additional \$25.00 production charge.**

The Scenes of South Dakota calendars are exclusive to SDBA member banks. These calendars are a great opportunity to thank your customers for their business and promote your bank. The SDBA logo is also included to emphasize the strength and security of South Dakota's banking industry. Please see the information below and order today! All orders will be shipped November 1, 2018.

Name _____

E-mail _____

Bank _____

Phone _____ Fax _____

Address _____ City _____ State _____ Zip _____

Quantity (minimum order 100) _____

CUSTOM IMPRINT

Please note: Imprint Area for bank logo and/or name is 10.375" wide x 1.25" tall.

Bank logo and/or name to imprint needs to be provided in an Illustrator EPS or high resolution TIF file (300 dpi) and emailed to ademers@sdba.com. Please supply all linked art and fonts required to print your file.**

- ☐ Use same imprint from the 2018 Scenes of South Dakota Calendar.
- ☐ Black bank logo (FREE) ☐ Color logo (add \$100 to order)
- ☐ New calendar order (Please provide bank logo/name according to file requirements above.)
- ☐ We've ordered before, but have changes to our imprint area.

(Please note changes in the Special Requests area.)

Would you like a proof emailed to you? ☐ Yes ☐ No, I do not need to see a proof.

Special Requests:

**\$65.00/hour (prorated) charge may apply if logo or imprint design changes need to be made to artwork supplied.

HOW TO SUBMIT YOUR ORDER

MAIL TO:

South Dakota
Bankers Association
ATTN: Alisa DeMers
PO Box 1081
Pierre, SD 57501

FAX TO:

605.224.7835

EMAIL TO:

ademers@sdba.com

PHONE:

800.726.7322

WEBSITE:

www.sdba.com/calendar

***Pricing Information:** Orders placed by September 1, 2018 receive the low price of \$1.19 per calendar. After September 1, price is \$1.49. Each order will have an additional \$25.00 production charge (layout for press run, in-house press proof, boxing, labeling), plus shipping. Logo will be black unless color is requested. Send no money now. Orders will be billed when shipped. Orders cannot be accepted after September 15, 2018.





Let your voice be *heard!*

(without revealing your identity)

By taking our survey you are providing anonymous feedback that will be used to hold regulators accountable. More than 3000 bankers have already participated.

Take a stand. Take the survey.

▶▶ Take the RFI* survey at www.allbankers.org ◀◀

*RFI = Regulatory Feedback Initiative

South Dakota Bankers Association
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The **COALITION**
OF BANKERS ASSOCIATIONS