SDBANKER

OFFICIAL PUBLICATION OF THE SOUTH DAKOTA BANKERS ASSOCIATION | **AUGUST 2025**

SDBA Hosts Ag Credit Conference in Pierre, SD

SDBANKERS ASSOCIATION

Educate. Advocate. Grow.

2026 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, 2025, to get the low price of $1.95* 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 in November.

Name ______________________________

Bank ______________________________

Email ______________________________

Phone ______________________________

Address ______________________________

Quantity (minimum order 100) ______________________________

SDBANKERS ASSOCIATION
Educate. Advocate. Grow.

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 LNorton@sdba.com. Please supply all linked art and fonts required to print your file.**

☐ **Use same imprint from the 2025 Scenes of South Dakota Calendar.**

☐ **Black bank logo (FREE)** **OR** ☐ **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 "Special Requests")**
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 desi**gn changes need to be made to artwork supplied.

HOW TO SUBMIT YOUR ORDER

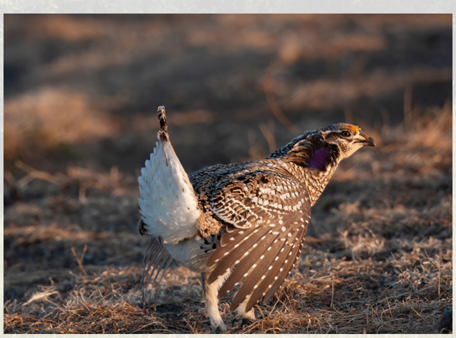
MAIL
South Dakota Bankers Association
ATTN: Laura Norton
PO Box 1081, Pierre, SD 57501

FAX
605.224.7835

WEBSITE
sdba.com/calendar

PRICING INFORMATION

Orders placed by September 1, 2025 receive the low price of $1.95 per calendar. After September 1, price is $2.00. 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. **Orders will be billed when shipped**. Orders cannot be accepted after September 18, 2025.



SDBANKERS ASSOCIATION
Educate. Advocate. Grow.

PO Box 1081 | 109 West Missouri Avenue
Pierre, SD 57501
605.224.1653 | 800.726.7322
www.sdba.com

EDITORIAL: Published monthly by the South Dakota Bankers Association, SDBANKER Magazine is dedicated to enhancing the state's banking profession by providing useful and timely information on important events and trends in the banking industry. Statements of fact and opinion are made on the responsibility of the authors alone and do not represent the opinion or endorsement of the SDBA. The magazine welcomes news from SDBA members. Articles may be reprinted with permission.

ADVERTISING: Advertisements within this publication do not necessarily represent endorsement of those products and services by the SDBA. The editor reserves the right to refuse any advertisement or editorial copy deemed to be unsuitable. For advertising details, see SDBA media kit at www.sdba.com.

SUBSCRIPTIONS: Member banks, branches and associate members receive one complimentary subscription. Additional subscriptions are $45 per year for members or $90 for non-members. Contact 605.224.1653 or LNorton@sdba.com

COVER PHOTO: Laura Norton

SDBANKER

OFFICIAL PUBLICATION OF THE SOUTH DAKOTA BANKERS ASSOCIATION
August 2025 | sdba.com

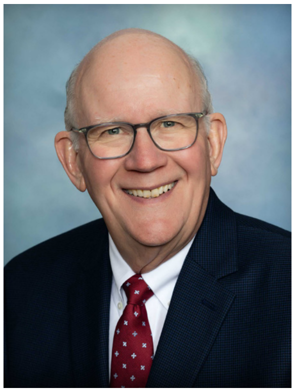

6


8

9


13

features



message from the chair

Pete Mehlhaff | President/CEO | Great Plains Bank, Aberdeen
605.725.9400 | petem@greatplainsbank.com

Vice Chair for Supervision - Does it Matter?

As the 2025 Quad States Convention approached and plans for the transition of officers was underway, goals for the new year were considered, and plans formulated for achievement of those goals. Top of my list was to do what we could to ensure that Federal Reserve Governor Michelle Bowman be confirmed as Vice Chair for Supervision. As it turned out, Governor Bowman was confirmed by the Senate five days before our convention and sworn in on the convention's opening day. We may ask ourselves, does it really matter who holds this position and if so, why?

Governor Bowman was appointed to the Federal Reserve Bank in 2018 to fill an unexpired term. She was reappointed and confirmed in 2020 to a 14-year term, ending in 2034. The SDBA and many of our bank colleagues across the country were contacting our respective U S Senators as early as January, expressing support for the nomination of Governor Bowman to the position of Vice Chair for Supervision. She received the presidential nomination in March and a second campaign began by the SDBA and other bank associations to encourage the Senate to confirm her nomination as expeditiously as possible. Again, why was this appointment so important to bankers?

During the last several years, banks have been pummeled with proposed and enacted regulations at an incomprehensible pace. In 2023 alone, the printed versions of those combined regulations totaled over 5,000 pages. Banks and our associations, when appeals to reason were ignored by regulators, had no other option than to seek relief through the courts. While these lawsuits have been successful, they are expensive, frustrating and a distraction from our job of serving our communities and customers. Consumer Protection Finance Bureau alone has issued so many "guidance documents" covering topics including fair lending, disclosure policies, overdraft fees, and more that the threat of lawsuits prompted them to recently rescind 67 of these guidance documents. Why did bankers support Miki Bowman's nomination? Because the Vice Chair for Supervision *does* matter!

Governor Bowman, a multi-generational banker, was Vice President of Farmers & Drovers Bank, a Kansas community bank. She was also a regulator, having served as State Bank Commissioner in Kansas. Bowman is both an experienced banker and an experienced regulator. She grasps the need to ensure a safe and sound banking system along with the need to allow banks to manage risk.

Governor Bowman stated at her swearing in ceremony:

"Driving all risk out of the banking system is at odds with the fundamental nature of the business of banking. Banks must be able to earn a profit and grow while also managing their risks. Adding requirements that impose more costs must be balanced with whether the new requirements make the correct tradeoffs between safety and soundness and enabling banks to serve their customers and run their businesses. The task of policymakers and regulators is not to eliminate risk from the banking system, but rather to ensure that risk is appropriately and effectively managed."

This philosophy is vital to maintaining a regulatory environment that is both safe and sustainable. Those outside the banking industry may miss the significance of Governor Bowman's appointment. When regulation becomes excessive or poorly tailored, it doesn't just affect banks. It affects small business lending, mortgages in rural areas, and financial access for families in underserved communities. Community banks are often the financial institutions serving these populations. Keeping banks healthy, properly regulated and empowered to grow is in the public's interest.

We extend our congratulations to Governor Bowman on her appointment as the third Vice Chair for Supervision. Her leadership brings needed balance to the regulatory table—ensuring that oversight is strong but grounded in real-world banking knowledge.

The SDBA is proud to have played a role in supporting Bowman's nomination, but our work is far from over. We encourage all bankers to stay engaged in the policy making process, to advocate for sensible regulation, and continue making the case for the vital role banks play in America's financial ecosystem.

from the executive office

KARLTON ADAM | President | South Dakota Bankers Association
605.224.1653 | kadam@sdba.com

From ECORA to ACRE: Growing Opportunities for Community Banking

Greetings and good August to you, friends. Is it just me or does it feel like summer has come and is nearly gone? Kids will be heading back to school soon and the hum of hometown cheers under the Friday night lights will soon fill the air. I think I've written in columns in the past that our home is just a few blocks from Hollister Field, home of the Pierre Governors. Our fall evenings are usually filled with the familiar sounds of the 'PIERREcussion' drumline, the roar of the crowd, and the steady cadence of the announcer's play-by-play over the loudspeaker—all woven together with the golden hues of autumn leaves and the bite of a brisk evening breeze. It's the kind of scene and soundtrack where nostalgia rushes in.

Since my July column, President Donald Trump signed his "One Big Beautiful Bill (OBBB)" on Friday, July 4th. We as the banking industry had a vested interest in its passing and eventual signing, as it included provisions related to the Access to Credit for our Rural Economies (ACRE) Act that could positively impact community banks and their customers, especially in rural areas like South Dakota. Of further interest, it was the creation of a 25% tax exemption on interest income on newly originated ag real estate loans, a topic that we have publicly supported and advocated for decades.

In recent weeks, I've had several conversations with SDBA member bankers about ACRE's inclusion, and we wanted to be sure you are aware of this promising news.

To know me is to know I recapitulate—a lot. Ok, yes…like a lot A LOT, but it does help to wash-rinse-repeat to fully grasp what kind of impact the signing of this legislation means for our industry. So, for the sake of background, let's back it up a little bit.

For years, community bankers and agricultural advocates have rallied around one clear idea: give lenders the tools to offer lower interest rates to farm and ranch families who form the backbone of America's heartland. What began as a policy proposal with promise—ECORA (Enhancing Credit Opportunities in Rural America Act)—evolved into a more comprehensive, bipartisan legislative effort now known as the ACRE (Access to Credit for our Rural Economy) Act.

The Seed: ECORA Takes Root

ECORA was designed to level the playing field between tax-advantaged lenders and community banks. The bill proposed a simple yet powerful solution: exempt interest earned on agricultural real estate loans from federal income tax, allowing banks to pass those savings on to rural borrowers.

While the idea made perfect sense to the banking industry, this concept took years to gain traction. Backed and advocated for by all 52 state banking associations and the American Bankers Association (ABA), ECORA was reintroduced in multiple legislative cycles in Congress. Lawmakers from farm states saw the appeal: exempting interest income from tax on ag real estate loans for farmers and ranchers creates more competitive lending opportunities and boosts local economies.

But despite broad support, ECORA never made it across the finish line. It became clear that while the policy was sound, it needed a refresh—a wider lens and a more comprehensive approach to attract the kind of bipartisan backing that moves legislation forward.

New Growth: The Emergence of ACRE

Enter the ACRE Act. Rebranded and reintroduced in 2023, ACRE picked up where ECORA left off, but with a broader scope and a modernized message.

Still centered around the same core principle—making interest income from ag real estate loans tax-exempt—the ACRE Act expanded its coverage. It included new sectors like fisheries and aquaculture to reflect the evolving nature of rural economies.

Importantly, ACRE introduced several new provisions: safeguards to prevent refinancing abuse, restrictions on loans to foreign adversaries, and a requirement for the Treasury Department to report on the policy's real-world effects. These updates helped address national security concerns and ensured better data transparency—two critical additions in today's policy climate.

Sowing the Future

In many ways, the transition from ECORA to ACRE mirrors what it takes to grow something meaningful in rural America: patience, persistence, and a willingness to adapt. While ECORA planted the policy seed, ACRE has cultivated it into something with broader reach, deeper roots, and a greater chance of success.

Now that the OBBB has been signed, with the inclusion of the ACRE Act, it could deliver more than just tax relief. It would represent a long-overdue investment in the people, businesses, and communities that form the heart of the country.

Continued on page 6

ABA Celebrates 150 Years at the 2025 Summer Leadership Meeting

With nearly 800 bankers from across the nation in attendance, the American Bankers Association celebrated 150 years of education, advocacy, and collaboration in Washington D.C in July.

SDBA President Karl Adam (Joan) and SDBA Board Chair Pete Mehlhaff (Paddy) were in attendance.

SDBA Chair Pete Mehlhaff visiting with Fed Governor, Michelle Bowman, Vice Chair of Supervision for the Federal Reserve, while attending the ABA's 150th anniversary celebration at the Library of Congress, Washington D.C.

Continued from page 5

From ECORA to ACRE: Growing Opportunities for Community Banking

If you read this far, first, thank you! Second, you'll see that none of this happened overnight. It has been years, if not decades, in the making. Countless hours, iterations, campaigns, lobbying, and advocacy efforts have gone into seeing ACRE across the finish line; now that it is across the line, it doesn't mean we can rest on our laurels. Now more than ever, our rural economy and the people who live, work, and serve the industries within it need our continued support and advocacy.

Advocacy comes in many ways through your membership with the SDBA. It's involvement, participation, sharing, and serving. I invite you to use the second half of the year to explore ways you can get involved with the SDBA to help support your communities and customers, be them ag, commercial, residential, civic, youth or anywhere in between, bankers are born leaders and I believe as such, we are inherently called to advocate when called on. Consider this your call, and let's visit. My contact info is listed on page 5, give us a follow on our socials: X, Facebook, Instagram, and LinkedIn, check out our website: www.sdba.com, and consider attending an upcoming event or two. I think you'll like what you see and learn!

So, until next month, I hope we talk soon, friends. Signing off...

SIMPLE IRA Plans: They Aren't Always So Simple

By Mike Rahn, CISP

SIMPLE plans were created by Congress in the 1996 Small Business Job Protection Act. In doing so they created a retirement plan option for small employers that provided meaningful retirement saving opportunities, while being substantially simpler to administer than 401(k) and other retirement plans of the time. This option is available only to employers with no more than 100 employees who earned $5,000 or more in the preceding year.

Based on the interest to date shown by small businesses, the Savings Incentive Match Plan for Employees of Small Employers—the full name for the SIMPLE acronym—has been a definite success. The SIMPLE IRA plan is considered by many small employers to be a great first retirement plan, characterized by little need for professional retirement plan administrators and minimal disclosure and reporting. Other features, such as the ability to make Roth SIMPLE contributions, also help make the SIMPLE IRA attractive to employers.

Ironically, given their official name, SIMPLE IRA plans have a number of elements that are anything but simple. Congress has altered the governing rules from time to time over the last three decades. As a result, some would say that SIMPLE IRA plans—while still a fine small employer plan option—are getting less and less simple.

The Exclusive Plan Rule

Both the 1996 statute that created these plans and the early guidance found in IRS Notice 97-6 make clear that SIMPLE IRA contributions cannot be made for any calendar year if the employer maintains another retirement plan under which contributions are made, or benefits accrue.

Perhaps this was intended to discourage employers from "backpedaling" from a more robust plan to a SIMPLE IRA. Realistically, employers that have decided to terminate another plan may do so regardless, even if having to wait until the subsequent calendar year to operate a SIMPLE IRA plan. As a result, fewer benefits may accrue to employees in that transition year.

The Two-Year Rule

SIMPLE IRA plans have several restrictions that apply to the two-year period that starts with the first contribution made to a participant's SIMPLE IRA. Unlike a 401(k) plan, where contributions are held in a common trust and available only at certain limited times and events, assets in a SIMPLE IRA—like all IRAs—are available on demand.

To discourage premature distribution of SIMPLE IRA assets, the pre-59½ early distribution penalty tax is elevated from the standard 10 percent to 25 percent during the first two years.

In addition, SIMPLE IRA assets generally cannot be moved to non-SIMPLE IRAs or other retirement plans during the initial two-year period. The SECURE 2.0 Act of 2022 provided an exception in the case of a SIMPLE IRA plan's termination during the initial two-year period. In such cases, the SIMPLE IRA assets can be rolled over to a 401(k) or 403(b) plan.

While SIMPLE IRAs can accept rollovers of non-SIMPLE assets, such as from a 401(k) plan, this can only be done after the initial two-year period.

Restrictions on SIMPLE IRA Plan Termination

The primary SIMPLE IRA guidance since 1996 has been in the form of IRS Notices and taxpayer publications, not regulations. The retirement industry has had to rely on this and less formal IRS guidance—including commentary at the IRS web site—on numerous issues. One such issue has been mid-year termination of a SIMPLE IRA plan. The IRS has long taken the position that such plans cannot be terminated mid-year. This has differed from qualified retirement plans, which have always had the ability to implement mid-year terminations.

The SECURE 2.0 Act of 2022 provided an exception for employers that choose to transition from a SIMPLE IRA plan to a safe harbor 401(k) plan mid-year, on the condition that each plan is operated in accordance with its own governing rules—including contribution limitations—for their respective periods of the transition year. In addition, the safe harbor plan's effective date must be the day after the SIMPLE IRA plan's termination date.

Where Must the Contributions Go?

SIMPLE IRA contributions are not held in a common trust, like 401(k) plans, and are always available on demand. But that does not mean that each participant has full control over his own contributions, at least initially. The sponsoring employer has the option to have all salary deferral contributions made initially to a single custodial organization, into the investments offered there. Such an organization is called a designated financial institution, or DFI.

However, a participant who wishes to have his SIMPLE IRA assets held and invested elsewhere can request to have them transferred to another custodial organization. At least one investment option at the initial institution must offer the option of transfers without charge or penalty. The IRS considers it "reasonable" if the participant is allowed to request such transfers on a monthly basis.

An employer could elect to maintain a "non-DFI" SIMPLE IRA plan, in which each participating employee chooses the custodian who will receive his salary deferrals and maintain his SIMPLE IRA. However, due to the payroll and general administrative simplicity of having one destination for contributions, most employers choose the DFI model.

Continued on page 12

2025 AG CREDIT CONFERENCE

July 22-23, 2025 | Ramkota Hotel & Conference Center | Pierre, SD

More than 130 attendeets from across South Dakota and beyond attended this year's SDBA Ag Credit Conference in Pierre on July 22-23. From timely insights on ag economics to future-focused discussions on banking and rural communities, attendees heard from a diverse lineup of expert speakers.

Thank you to our Ag Credit Committee Chair, Brandon Herr, for leading this year's event, and to the SDBA ag committee for their collaboration in preparing for the conference. Speakers included: Chad Colby, Hunter Roberts, Matthew C. Roberts, Karl Oehlke, Kyle Peters, Ty Eschenbaum, Troy Bockelmann, Don Day Jr., Ed Elfmann, and Andrew McCrea.

A sincere thank you goes out to our sponsors—First Fidelity Bank; Farmer Mac; and Pifer's Auction, Realty and Land Management—for their generous support. We would also like to extend our gratitude to our exhibitors: Ag Resource Management; Farmer Mac; Pifer's Auction, Realty and Land Management; South Dakota Soybean Checkoff; South Dakota Center for Farm and Ranch Management; South Dakota Grasslands Initiative, USDA Farm Service Agency, USDA Natural Resources Conservation Service, and Vantage Point Solutions.


EXIT


EXIT
SPEAKER


ANKERS
CIATION


SPEAKER


VantagePoint
COMPREHENSIVE SERVICES
CELEBRATING
25


PROTECT.
CONNECT.
EMPOWER.
RISE.


EXIT


SDBANKERS
ASSOCIATION
Educate. Advocate. Grow.

Raising the Bar: Understanding Regulation CC Threshold Updates and Customer Notification Requirements

Stephanie Shenoda, Compliance Officer – Compliance Alliance

Regulation CC, issued by the Federal Reserve Board, governs the availability of funds and the collection of checks in the United States. It ensures transparency for depositors regarding when they can access funds from check deposits and outlines rules for financial institutions on how to handle these deposits. One critical component of Regulation CC involves threshold amounts, which are periodically adjusted for inflation. The most recent update, effective July 1, 2025, brings changes that banks and credit unions must implement — not only operationally, but also in how they notify customers.

This article breaks down the updated threshold amounts, explains their practical implications, and highlights what financial institutions must do to remain compliant, particularly regarding customer communications.

Regulation CC (12 CFR Part 229), also known as the Availability of Funds and Collection of Checks regulation, is rooted in the Expedited Funds Availability Act (EFAA). It specifies:

- How long a bank can hold deposited funds before making them available to the customer.
- What disclosures must be made regarding funds availability.
- Procedures for processing returned checks.
- Maximum timeframes for extended holds based on risk, check type, and deposit method.

The regulation also includes specific dollar amounts (thresholds) that trigger different availability timelines, such as the "next-day availability" amount and the "large deposit exception" amount. These thresholds are adjusted every five years for inflation.

The Federal Reserve and the Consumer Financial Protection Bureau (CFPB) announced updated thresholds that will take effect on July 1, 2025. These changes are designed to maintain the real-dollar value of certain regulatory provisions over time. The minimum amount of a deposited check that must be made available by the next business day will increase to $275, up from the previous $225. The cash withdrawal amount subject to extended holds will rise to $550. For new accounts, the threshold for funds made available by the next day will increase to $6,725, as will the threshold for identifying large deposits and repeated overdrafts, which are also used in determining eligibility for extended holds.

Additionally, the civil liability amounts under Regulation CC will be adjusted: the minimum liability for individual actions will increase to $125, while the maximum will rise to $1,350. For class actions, the maximum allowable liability will increase to the lesser of $672,950 or 1% of the bank's net worth. These changes reflect a 21.8% rise in the Consumer Price Index (CPI-W) from July 2018 to July 2023, and institutions are required to update disclosures and notify consumers accordingly.

Banks and credit unions must ensure their funds availability policies, core systems, and deposit platforms reflect the updated thresholds. For instance, when a customer deposits a check and qualifies for next-day availability, the first $275 (up from $225) must be made available the next business day. The remainder can be subject to standard holds.

Systems that automate hold amounts or generate customer disclosures must be reprogrammed to align with the new figures.

Under Section 229.16(c)(3), when a financial institution changes its policy in a way that expands the availability of funds, it must notify customers no later than 30 days after implementing the change. Since these threshold increases generally benefit customers by shortening hold times or increasing early availability amounts, they are considered "positive" changes. However, failing to notify customers within this window could result in noncompliance and potentially subject the institution to penalties or examiner scrutiny.

Here is how institutions can meet the Regulation CC customer notification requirements effectively:

- Notifications must be sent no later than August 1, 2025 (30 days after the effective date).
- Institutions may choose to send the notice before July 1, 2025, as a proactive measure, but are not required to do so.

Financial institutions can use any of the following methods:

- Mailing a printed notice to the last known address.
- Delivering electronically, if the customer has consented to electronic disclosures under the E-SIGN Act.
- Posting a notice in-branch and on the institution's website (for walk-in customers and general awareness, but another method must also be used).
- Including a message on monthly statements or digital banking notifications.
- Customers may not notice the change immediately, but the update means:
- Faster access to funds from eligible check deposits.
- Increased dollar amounts before longer holds apply.
- Improved transparency through timely notifications from their banks.

Educating frontline staff is essential, as customers may have questions once they begin noticing slightly different availability patterns on their accounts.

The Regulation CC threshold, update effective July 1, 2025, marks another step in keeping federal banking regulations in step with inflation and modern banking realities. Financial institutions must adjust their internal systems, update disclosures, and communicate the changes clearly to customers. While the changes are generally customer-friendly, strict compliance with timing and format of notifications is vital to avoid regulatory pitfalls.

By staying informed and proactive, institutions can ensure a smooth transition and maintain customer trust in the evolving regulatory landscape.

COMPLIANCE ALLIANCE
An SDBA Company

Continued from page 7

SIMPLE IRA Plans: They Aren't Always So Simple

Contribution Limits are a Moving Target

IRA and other retirement plan contribution limits typically change from year to year due to cost-of-living adjustments. But basic contribution options have historically been stable. SIMPLE IRA plans, too, have had a predictable employee contribution structure. Employer contributions have historically included only the straightforward options of matching contributions up to three percent of compensation, or a two percent nonelective employer contribution.

Things are not so simple now. The SECURE Act of 2022 created several modifications to SIMPLE IRA contribution options. Effective in 2024, an optional employer nonelective or profit sharing-type contribution can be made, in addition to the mandatory employer matching contribution or two percent nonelective contribution. This, like the basic two percent nonelective contribution, would be contributed by the employer on behalf of all eligible employees, even those who are not deferring their own compensation into the plan. The maximum discretionary nonelective contribution is 10 percent of an employee's compensation, or $5,000, whichever is less.

But that's not all. In addition, SECURE 2.0 authorized an increase in the SIMPLE IRA annual salary deferral limit to 10 percent above the annual cost-of-living-adjusted level, both base salary deferrals and catch-up deferral contributions for those age 50 or older.

This 10 percent increase is automatic for SIMPLE IRA plans with 1-26 employees. It is optional for plans with 26-100 employees. If these larger plans make this election, the required basic employer match of three percent is increased to four percent, and the standard nonelective contribution of two percent is raised to three percent. These amounts equate to the required employer contributions in a safe harbor 401(k) plan. This may be intended as an inducement for such employers to transition to a more robust retirement plan.

There's still more enhanced contribution dimensions. SECURE 2.0 created a second tier of catch-up contributions for those ages 60-63. Some call it the "super catch-up." For comparison, those who are age 50 or older are eligible for SIMPLE catch-up salary deferrals of up to $3,850 per year; this, over and above the base salary deferral limit of $17,600 for 2025. But for those age 60-63, the 2025 catch-up deferral limit is $5,250.

Keeping Employees Informed

Employer SIMPLE IRA plan administrative responsibilities are minimal compared to a 401(k) or profit sharing plan. Perhaps most important is ensuring that employee salary deferrals withheld from pay are deposited timely. It goes without saying that the investment array offered to employees must be appropriate.

There are no reports equivalent to a qualified plan's annual Form 5500 that must be filed with the Department of Labor or the IRS. But there are required annual employee notifications. At least 60 days before the start of the coming plan year, an "annual notice" must be provided to eligible employees. It must contain the following.

1. The employee's opportunity to make or change a previous salary deferral election
2. The employees' ability to select a financial institution that will serve as custodian or trustee of the employees' SIMPLE IRA, if the plan does not use a DFI
3. The employer's intention to make either matching contributions or nonelective contributions on behalf of employees in the coming year
4. A plan summary description
5. Written notice that the employee can transfer his SIMPLE IRA balance without cost or penalty if the plan is using a DFI

The summary description noted above in bullet number 4 must include the following.

1. Employer's name and address
2. The SIMPLE IRA plan's eligibility requirements
3. Benefits of participation in the plan
4. When employee elections must be made
5. Procedures and effects of withdrawing SIMPLE IRA contributions

Summary

SIMPLE IRA plans are a good first step for small employers who meet its 100-or-fewer-employee limitation, and who feel they're not ready to go full-on with a 401(k) or other more robust retirement plan. But "simple" is in the eye of the beholder, and these plans prove that no tax-qualified retirement arrangement is without its complications.

https://thelink.ascensus.com/articles/2025/7/14/simple-ira-plans-they-arent-always-so-simple

ASCENSUS®

bankers in action

First National Bank in Sioux Falls

Volunteers from First National Bank Transform the Outdoor Campus Play Area

Sioux Falls, SD: When kids at The Outdoor Campus wanted to play with paving stones, a group of volunteers from The First National Bank in Sioux Falls stepped in to make a difference.

Construction began in the spring on The Outdoor Campus in Sioux Falls, a project that will expand the education facility located in Sertoma Park.

"With our expansion project starting, we removed some pavers from the previous butterfly garden to be used in the new garden area," said Sandy Richter, community coordinator for The Outdoor Campus.

"The pavers have unexpectedly become a new feature in our playscape, being used as building blocks to create towers, forts, pathways, and numerous other creations throughout the playscape area."

Thirteen teammates from the bank spent an afternoon cleaning up and creating what Richter called the "designated block area," making the playscape safer for the South Dakota Game, Fish and Parks department's lawnmowers.

They trimmed overgrowth from nearby trees, spread mulch, built a rock border around the area, and used buckthorn tree trunks to create a shade tunnel.

The result was a new play area where kids could freely move and build with the pavers, and where their

imaginations could flourish.

"First National Bank is always such a fun group to work with," said Paige Schultz, volunteer coordinator at The Outdoor Campus. "We appreciate how willing everyone is to jump in and help, no matter the task."

First National Bank Teammates Volunteer with the Veterans Community Project

Sioux Falls, SD: On July 24, teammates from The First National Bank in Sioux Falls dedicated their afternoon to volunteering with the Veterans Community Project.

The tiny-home community located in Sioux Falls houses veterans and provides them with crucial support services.

Teammates used their time to touch up paint on some of the houses that are currently under construction, including a house that was sponsored by First National Bank.

This included painting trim and doors on the outside of the houses and ceilings and doors on the inside.

"Anytime you have the opportunity to help veterans in the community, you have to do

that," said Scott Hirsch, deposit operations manager at First National Bank, who is also a veteran. "When you think about why we're here and why they're here, it goes a lot deeper than painting a house."

FirstNationalBank
www.fnbsf.com The First National Bank in Sioux Falls® Member FDIC

BankWest Welcomes Joel Van Batavia as Business Development Officer

MADISON – BankWest is pleased to announce the addition of Joel Van Batavia to their team as Business Development Officer. Van Batavia brings over 12 years of experience in the financial services industry, with expertise spanning retail banking, agricultural banking, and business development.

Madison's Branch Manager Tom Kahler emphasized Van Batavia's commitment to personalized customer service and community involvement as key strengths he brings to the organization.

"Joel's extensive background in helping individuals, families, and business owners achieve their financial goals through tailored banking solutions makes him an excellent addition to our team," said Kahler. "His focus on agricultural and business banking, combined with his dedication to building long-term relationships, aligns perfectly with our mission to serve local communities."

Van Batavia is a graduate of Hills-Beaver Creek High School in Minnesota and attended Alexandria Technical and Community College. Van Batavia specializes in tailored lending solutions including operating lines, equipment purchases, commercial expansion, and commercial real estate financing. He positions himself as a comprehensive resource for clients, offering not just financing but also sound advice, market insight, and long-term partnership opportunities.

"Helping people meet their financial goals is the most rewarding part of my job," Van Batavia said. "Whether it's supporting a young producer buying their first piece of ground or helping a local business owner expand, being part of that success story is what drives me."

Van Batavia and his wife, Courtney, have two sons, Ryder (12) and Gordon (2), along with two dogs, Rollo and Oscar. He has coached numerous youth sports teams including football, basketball, and baseball, and currently serves on the Madison Central School Board. He is also a member of the Ag Committee for the Madison Area Chamber of Commerce and volunteers with Junior Achievement to help students develop financial literacy and career skills.

"I am excited to be part of the BankWest team and look forward to supporting the continued growth of our local businesses and ag communities," he said. "I am here to listen, provide solutions, and help people succeed—however that looks for them."

Van Batavia's office is located at 1046 Makenda Ave. in Madison.

BankWest

First National Bank's Joe Miller Named to ICBA 40 Under 40 List

Sioux Falls, SD: The Independent Community Bankers of America (ICBA) named Joe Miller, chief credit officer at The First National Bank in Sioux Falls, to its 40 Under 40: 2025's Community Bank Leaders list.

The ICBA announced the winners of its seventh annual 40 Under 40 awards in June, highlighting bank leaders from across the nation who are positively impacting the world of community banking.

"Joe exemplifies what it means to lead with purpose," said Chris Ekstrum, president and CEO of First National Bank. "He represents the best of what our bank has to offer, and we're thrilled that the ICBA has named him to their 40 Under 40 list."

Miller has worked in the financial services industry for nearly 20 years. His first job was as a part-time teller.

Upon joining First National Bank in 2013, Miller served in the ag banking department until his promotion to chief credit officer in 2023.

"Joe's vision for community banking is deeply rooted in his rural upbringing and firsthand understanding of how community banks serve as the backbone of local economies," said the award nomination submitted on Miller's behalf. "Joe's leadership reflects his belief that strong community banks create thriving communities."

The ICBA recognized Miller for his "creation of a farming-focused education program," which he started in 2018.

"One example of Joe's innovative spirit is when he created the Farmers 'N Bankers program," said Brian Gilbert, ag banking manager at First National Bank. "Through the program, we help farmers and ranchers elevate their financial acumen and better navigate the cycles of the agriculture industry."

A career milestone for Miller, the program has since been attended by more than 100 local producers and is currently in its eighth class.

According to Ekstrum, Miller's leadership in selecting a new Loan Origination System (LOS) for the bank is another example of his positive impact.

Miller formed a dedicated group of teammates from multiple departments whose sole purpose was to evaluate and select the best system, ensuring that key stakeholders had a voice in the decision-making process.

In discussions, he prioritized listening and allowed each team member to openly share their insights, concerns, and preferences before offering his own perspective.

"Given the scale of this project and knowing that similar efforts at other banks often receive resistance, Joe's approach of actively including all perspectives set us up for success," Ekstrum said.

Miller is an active member of the Risk Management Association Siouxland Chapter and has contributed to multiple South Dakota Bankers Association committees, helping to shape and advance banking practices across the state.

He also serves on Moody's Community Bank Advisory Board, offering valuable insights to support community banks nationwide.

Beyond his professional contributions, Miller volunteers with local organizations and causes such as The Banquet, Rake the Town, and the Sioux Empire Livestock Show.

He is an advocate for Dell Rapids St. Mary Catholic Schools and plays a key role in fundraising for, planning, and organizing its annual carnival fundraiser.

Most recently, Miller joined the board of directors for the St. Francis House in Sioux Falls.

"It's humbling to be nominated for an award like this," Miller said, "and even more of an honor to get to work at First National Bank and share in our success together."

"With his servant leadership approach, Joe puts people first — supporting the success of our customers, strengthening the bank's culture by living out our values, and creating an environment of trust, collaboration, and respect," Ekstrum said. "His impact is felt not just within our walls, but throughout the community.

FirstNationalBank
www.fnbsf.com The First National Bank in Sioux Falls® Member FDIC

David W. Johnson to Retire After 50 Years of Transformative Leadership in Banking

After five decades of visionary leadership and a lifetime of contributions to the banking industry, David W. Johnson will retire as Chairman of the Board of Reliabank, effective August 1, 2025.

Johnson began his career as a teen at Farmers State Bank in Estelline, South Dakota, working alongside his father, Walter K. Johnson. When his father passed away suddenly in 1976, David stepped in to lead the bank at just 23 years old—a pivotal moment that would mark the beginning of a meaningful and influential career.

Under Johnson's leadership, the bank evolved from an $8 million community institution to today's $760 million Reliabank, with 10 locations across eastern South Dakota. He played a key role in the acquisition and expansion of new branches, founded the bank's insurance division, and championed initiatives that brought innovation and stability to the communities Reliabank serves.

In 1988, David and his sister Cynthia Johnson purchased the bank and formed Big Sioux Financial. Over the following decades, the pair guided the institution through periods of significant growth, all while remaining rooted in a strong community banking philosophy. In 2003, David, along with his wife Jan and sons Reid and Ethan, purchased Cynthia's stock in the company. The four of them remain owners today.

Beyond his role at Reliabank, Johnson was an active leader in banking organizations at the local, state, and national levels, including serving as President of the Independent Community Bankers of South Dakota (ICB-SD) and as a National Director of the Independent Community Bankers of America (ICBA). He also served globally as a USAID volunteer, teaching capitalism and banking in Uzbekistan and Turkmenistan.

Earlier this year, Johnson transitioned the CEO role to Josh Hogue and announced plans to step down as Board Chair. His wife, Jan Hovey Johnson, will succeed him in that role, continuing the Johnson family's legacy of leadership and service.

Johnson's influence is seen not only in the growth of Reliabank, but also in the countless individuals, families, and businesses who have benefited from his commitment to integrity, innovation, and local service.

RELIABANK Since 1920 MEMBER FDIC

40 Under 40: 2025's Community Bank Leaders

Tiffany Lewis, Vice President and Compliance/BSA Officer at Richland State Bank in Bruce, was recently nominated for the Independant Community Bankers of America "40 Under 40 Community Bank Leaders" award.

"Tiffany Lewis, a banker who wears many hats, brings a strong attention to detail and experience to every project she's on. She was instrumental in developing operating processes during the pandemic and updating Richland State Bank's website and mobile services, making things safer and more efficient for the bank and its customers." - *Susan Thomas and Don Sadler and Katie Kuehner-Hebert, Independent Banker* www.independentbanker.org/

Congratulations on your nomination, Tiffany!

Richland State Bank

Sioux Falls YPN Announces 4 Under 40 Nominees

"The Young Professionals Network of the Greater Sioux Falls Chamber of Commerce has announced the nominees for its 4 Under 40 award. The award honors young professionals who are change-makers in their business, industry and community.

Twenty-six nominations were received for the award. A panel of YPN members will review the nominations and select four individuals to be honored. The award recipients will be announced at YPN's Crossroads Summit on August 21. The event is a professional development conference that encourages people from all industries around the region to network, learn and build relationships." - *SiouxFalls.Business*

Danielle McGrath, Business Banking Officer at First PREMIER Bank in Sioux Falls, received one of the twenty-six nominations for the 4 Under 40 award. Best of luck and congratulations, Danielle!

First PREMIER Bank

Bankers Equipment Service Acquisition of Professional Computer Services (PCS)

Burnsville, MN — We're happy to announce that on July 1, Bankers Equipment Service acquired Professional Computer Services (PCS) and both will now operate as Bankers Equipment Service.

This partnership brings together two customer-focused, Midwest-based organizations with decades of experience supporting financial institutions, casinos, and retail operations. For nearly 90 years, BankersEquipment Service has built a reputation for reliability, trust, and innovation—and this merger is the next chapter in our mission to deliver more of what our customers value most.

"By joining forces, we're enhancing our capacity to serve the region with more products, enhanced support, and the same familiar faces our clients know and trust." - Brian Steele, President of Bankers Equipment Service.

PCS technicians will continue serving their existing clients, now backed by the resources and expertise of the BES team. This means uninterrupted support with expanded offerings.

We're grateful to the customers and partners who've trusted us over the years.

For more information or to ask a question, please contact us at 952-890-6661 or visit www.bankersequipment.com.

BANKERS EQUIPMENT SERVICE INC.
SERVICE - Our Last Name, Our 1st Priority!

Haberfeld Announces Key Leadership Transitions, Dr. Sean Payant Named President

Haberfeld Chief Strategy Officer taking over as President, reaffirming company's commitment to its community financial institution partners.

LINCOLN, NE July 15, 2025 – Haberfeld, a strategic growth partner for community financial institutions across the country, has announced today the promotion of Dr. Sean Payant to President and the transition of Achim Griesel to President Emeritus. The key executive changes are part of the company's long-term succession plan.

Dr. Payant began as a Consultant at Haberfeld in 2007 and rose steadily within the organization while serving in key leadership roles, most recently as Chief Strategy Officer & Senior Executive Vice President.

Dr. Payant brings a wealth of experience to his new role. As a respected industry expert, Dr. Payant has extensive experience working with industry associations and community financial institutions. He is an active faculty member at both the Pacific Coast Banking School in Seattle, Washington and the ABA Stonier Graduate School of Banking in Philadelphia, Pennsylvania.

"With nearly two decades of experience at Haberfeld, Dr. Sean Payant has established himself as a nationally recognized expert in community banking," says Ben O'Neill, Chief Executive Officer of Haberfeld. "His appointment as President signals an exciting new chapter for the firm, and we are confident in the strength of leadership and depth of expertise he brings to the role."

Dr. Payant's promotion coincides with a transition for former President Achim Griesel, who will assume a role as President Emeritus while continuing to serve on the Board of Directors. Mr. Griesel began his journey with Haberfeld in 2001 as an Account Executive and held a variety of leadership positions before being named President in 2016. During his tenure as President, he guided the company through a period of significant growth and advancement.

As President, Dr. Payant will collaborate with the leadership team to provide strategic oversight for the organization, manage key departments across the company, and ensure the continued strength of client relationships. He will also remain actively involved in the ongoing development of HabWell, Haberfeld's health services vertical.

haberfeld
accelerating growth

Graduate School of Banking Colorado

July 13-25, 2025

What a great evening in Boulder, CO with our GSBC Annual School Session attendees from North Dakota and South Dakota!

Thank you to the North Dakota Bankers Association and South Dakota Bankers Association for sponsoring this outing and congratulations to these students on a job well done!

BOLD SUCCESSION. BOLD BANKS. BOLD FUTURE.

Why pay an executive search firm 30-35% of a senior officer's salary and benefits if your bank can develop its own internal candidate? EDI is designed to **prepare internal candidates for executive management roles** at community banks.

A dual curriculum of advanced leadership and bank management strategies prepares participants for the challenges associated with leading a community bank in today's increasingly competitive environment while revealing opportunities for growth and innovation.

Project work correlates directly to the bank's strategic plan and includes:

- Talent Management Assessment
- Enterprise Risk Management Assessment
- Profit Improvement Analysis

Complete program details are available online

APPLY TODAY!

Participants attend four 4-day sessions in the Denver, Colorado area every six months. The total length of the program is 19 months.

EDI 14 ***(Apply by August 15)***

- October 19-22, 2025
- April 12-15, 2026
- October 18-21, 2026
- April 11-14, 2027

Visit **www.GSBColorado.org** for tuition details, admission requirements and an application. Competing banks will not be admitted to the same cohort, and applications are processed in order of receipt. **Early enrollment is advised.**

Graduate School of Banking at Colorado


bhgfinancial
Institutional Network
BHG Financial Institutional Network
National Seminar
PGA National Resort
PALM BEACH GARDENS, FL
OCTOBER 6-7
Designed for community banks: A deep dive into BHG Financial and the loan purchasing program
Scan to register
REGISTER NOW

UPCOMING EVENTS

2025 Fraud Academy

August 12-14, 2025 | Lexington, KY or Virtual

Fraud Academy is a pioneering initiative designed to arm bankers with the skills needed to detect and combat fraud. Our unique program features insights from experts across the DEA, FBI, the Secret Service, law enforcement, AARP, and the financial industry, offering a robust education in fraud prevention from those who know it best.

2025 SDBA Lead Strong: Women in Banking Conference

September 9-10, 2025 | Sioux Falls

Lead Strong: Women in Banking is an annual gathering that celebrates and empowers women in the financial industry. Join us for an engaging and enlightening event that focuses on the achievements, challenges, and opportunities for women in the world of banking.

2025 SDBA IRA School

September 16-18, 2025 | Sioux Falls

IRAs are one of the most complicated areas of bank personnel responsibility, and continual education is necessary to ensure confidence. This school can provide a strong foundation through its comprehensive curriculum.

Understanding Bank Performance

Sept 16, 18, 23, 25, 30, Oct 2, 7, 9 | Virtual

Participants will learn how to assess and analyze a bank's financial performance by working with data from real institutions. Using financial statements from one sample financial institution along with statements from their own banks, participants will become familiar with the ins and outs of balance sheets and income statements and learn how to apply key performance metrics to the data presented in these documents.

2025 Banking Forward: Fall Forum

October 1, 2025 | Sioux Falls

We're excited to launch the 2025 Fall Bankers Forum, a brand-new event designed to bring together industry leaders and banking professionals for a powerful exchange of ideas, strategies, and solutions.

This newly developed forum will focus on three critical areas—technology, fraud prevention, and mortgage lending—providing a fresh platform for insight and collaboration. The event kicks off with a high-impact general session featuring a keynote speaker who will deliver forward-looking insights into the evolving financial landscape

2025 NEXT STEP: Emerging Leaders Summit

October 28-29, 2025 | Aberdeen

2025 IBA Succession Planning Online Workshop Series

November 3 & 17, 2025 | Virtual

This two-part online workshop series is designed to help community banks establish a robust succession planning process. Participants will learn how to create a comprehensive succession plan, conduct talent assessments to identify skills gaps, and develop personalized development plans for their successors, focusing on leadership, management, and technical skills.

Learn more and register for SDBA EVENTS

www.sdba.com/events

AUGUST 2025

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	**12**	**13**	**14**	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

SEPTEMBER 2025

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	**9**	**10**	11	12	13
14	15	**16**	**17**	**18**	19	20
21	22	**23**	24	**25**	26	27
28	29	**30**				

OCTOBER 2025

S	M	T	W	T	F	S
			1	**2**	3	4
5	6	**7**	8	**9**	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	**28**	**29**	30	31	

NOVEMBER 2025

S	M	T	W	T	F	S
						1
2	**3**	4	5	6	7	8
9	10	11	12	13	14	15
16	**17**	18	19	**20**	21	22
23	24	25	26	27	28	29
30						

President & Chief Executive Officer | BankStar Financial Brookings, SD

BankStar Financial is seeking a visionary President & CEO to lead our organization with strategic insight, operational excellence, and a strong commitment to community and innovation. This individual will work closely with the Board of Directors and leadership team to advance the bank's mission, enhance financial performance, and cultivate a high-performing culture.

Key Responsibilities: Drive strategic growth and planning initiatives; lead financial performance, planning, and efficiency initiatives; shape and support a high-performing organizational culture; represent the bank to stakeholders and community partners; champion digital and operational advancement.

Qualifications: Bachelor's degree (MBA preferred); executive experience in banking or financial services; strong financial, strategic, and team development expertise; strong interpersonal and communication skills; deep commitment to ethics and community impact.

Core Competencies: Strategic thinking; leadership financial acumen; relationship building; innovation; community focus.

Apply: www.ebankstar.bank/careers

Equal Opportunity Employer.

Trust and Wealth Management Officer
Hilltop Bank | Casper, WY

Hilltop Bank is expanding our Trust & Wealth Management Team!

Job Summary: Hilltop Bank's Trust & Wealth Management Department is a full-service Trust department. Officers are responsible for the administration of Revocable and Irrevocable Trusts, Estates, Conservatorships, Investment Management Accounts and IRAs.

Primary Duties/Responsibilities: Attract, grow, and retain a portfolio of trust relationships; Personal trust and estate administration; Investment management; Facilitate client meetings and presentations; Compliance with state and federal regulations and department and bank policies; Provide opportunities for relationship building by involving oneself in civic and community organizations and industry related groups.

Qualifications: Excellent client relationship skills; 3+ years of Trust Administration and/or Estate Administration experience or Bachelor's degree in related field with less than three years Trust/Wealth Management experience; CTFA or other related certification desired; High level of accuracy, detail oriented; Proficiency with Microsoft Word, Excel.

This is a Full-Time Position. No established salary range. **No recruiters, please.** Send confidential resume and letter of interest to: hrdirector@hilltop.bank or to apply online go to https://www.hilltop.bank/about/careers. Hilltop Bank is an EEO Employer.

LEAD STRONG: WOMEN IN BANKING CONFERENCE

September 9-10, 2025

Sioux Falls Convention Center | Sioux Falls, SD

COLOR OUTSIDE THE LINES





REGISTER!

sdba.com/events

SDBANKERS ASSOCIATION

Educate. Advocate. Grow.