



CERTIFICATION NEWS

SECURITY

Bank Call Report: Understanding Signature Requirements

By Amanda Garnett

I recently had the pleasure of serving as an instructor at two of Community Banker University's Call Report Seminars in Minnesota. During the seminars, I received multiple questions around signature requirements as they relate to the call report and thought it would be worth sharing the questions and corresponding answers with a larger audience.

Who Has to Sign?

Even though the call report is filed electronically, there are still requirements that management and board members sign the coversheet of the call report and maintain those signatures in their files. The call report must be signed by the chief financial officer (CFO) of the bank or the institution's equivalent.

Call reports of national banks, state member banks, and savings associations are required to be signed by at least three

board members in addition to the CFO. Call reports of state nonmember banks are required to be signed by at least two board members in addition to the CFO.

Attestation Requirements

By signing the coversheet of the call report, these individuals are attesting to its accuracy.

CFOs attest that the call report has, "been prepared in conformance with the instructions issued by the appropriate federal regulatory authority and are true and correct to the best of my knowledge and belief."

Board members attest that the call report has, "been examined by us and to the best of our knowledge and belief have been prepared in conformance with the instructions issued by the appropriate federal regulatory authority and are true and correct."

See [Call Report](#), page 3

PROFESSIONAL PROFILE

Get to Know Heather Gillihan, an ICBA-Certified Banker in North Dakota

By Shirley Ringhand

Heather Gillihan is senior vice president-director of compliance and audit at First International Bank & Trust in Minot, N.D. Heather holds three ICBA certifications. She became a Certified Community Bank Compliance Officer in 2004, and both Certified Community Bank Internal Auditor and Certified BSA/AML Professional in 2007.

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Fact Check

First International Bank & Trust

Headquarters: Watford City, ND

Retail offices: 27 locations in ND, MN and AZ

Bank asset size: \$3,001,353,000

Number of bank employees: 688

Number of staff in auditing and BSA/AML: 5 compliance, 5 audit, and 2 BSA / AML

Web site: www.fibt.com

Taglines/Motto: Live First

2019 CERTIFICATION CALENDAR

Audit Institute

- Sept. 8-13; Minneapolis, MN

Annual Current Issues

Certification Conference

- Sept. 23-26; Minneapolis, MN
- Oct. 21-24; Charlotte, NC

Bank Security Institute

- Sept. 15-18; Minneapolis, MN

BSA/AML Institute

- Nov. 13-15; Dallas, TX

Compliance Institute

- Sept. 29-Oct. 4; Nashville, TN

Commercial Lending Institute

- Aug. 11-16; Minneapolis, MN

Consumer Lending Institute

- Sept. 8-11; Minneapolis, MN

Credit Analyst Institute

- Oct. 6-9; Minneapolis, MN

IT Institute

- Aug. 5-9; Minneapolis, MN

Risk Management Institute

- Oct. 28-30; Minneapolis, MN

FDIC Cautions Customers That FDICconnect.com Is Not Affiliated With a Government Agency and Should Not Be Confused With FDICconnect.gov

The Federal Deposit Insurance Corporation (FDIC) advises bank customers on the potential for confusion between FDICconnect.com and the FDIC-run website, FDICconnect.gov. The FDIC is aware of the website FDICconnect.com, which advertises itself as a consumer-focused provider of FDIC pass-through insurance for bank deposits. The public should be advised that FDICconnect.com is not affiliated with the FDIC.

A similar warning was recently issued by the California Department of Business Oversight.

FDICconnect.gov is a secure electronic portal for the FDIC to connect with financial institutions – not with individual bank customers. Through FDICconnect.gov, bankers can download official FDIC correspondence and conduct secure file exchanges with the FDIC.

The FDIC recommends that bank customers do their due diligence to confirm that a financial institution is FDIC-insured before doing business with the institution. The FDIC's BankFind database can help customers determine if an insured bank has certain branches or a website that use a "trade name" that is different from the bank's official name, often for marketing purposes. BankFind will provide customers with the name of the bank that owns the branch or website, if applicable, along with other pertinent information regarding that bank.

Customers may also call the FDIC toll-free at 1-877-275-3342 to check whether the FDIC insures a specific bank or savings association.

More information on FDIC deposit insurance is available on the FDIC website.

FINANCIAL INSTITUTIONS BLOG

Examiners Find Technology Contracts Lack Sufficient Detail for Business Continuity and Incident Response

By **CLA Regulatory Compliance Team**

On April 2, 2019, the Federal Deposit Insurance Corporation (FDIC) issued Financial Institution Letter (FIL) 19-2019 about technology service provider contracts. Most financial institutions contract with third party service providers for a variety of products and services. FDIC examiners have found in recent exams that some financial institution contracts with technology service providers may not adequately define rights and responsibilities regarding business continuity and incident response. These contracts may also not provide adequate detail to allow financial institutions to manage those processes and risks. The FDIC encourages financial institutions to ensure that business continuity and incident response risks are adequately addressed in service provider contracts.

To learn about practices that can be used to mitigate risks in third-party relationships, financial institutions can refer to the Federal Financial Institution Examination Council IT Examination Handbook, Business Continuity Booklet, or the FDIC's Guidance for Managing Third-Party Risk. Even if your financial institution is not supervised by the FDIC, it would be prudent to consider these same risks and adjust your contracts accordingly.

CLA's financial institution regulatory compliance team assists banks and credit unions nationwide in establishing regulatory compliance programs, conducting compliance testing, and training staff on regulations. Justin Robinson is a member of CLA's regulatory compliance team and can be reached at justin.robinson@CLAconnect.com.

Articles were originally published on CLAconnect.com. The information contained herein is general in nature and is not intended, and should not be construed, as legal, accounting, investment, or tax advice or opinion provided by CliftonLarsonAllen LLP (CliftonLarsonAllen) to the reader. For more information, visit CLAconnect.com.

FASB Hints at a CECL Delay

By **Neil Falken**

In a recent American Banker interview Financial Accounting Standards Board Chairman Russ Golden defended the new accounting standard but also hinted at a possible delay in the implementation for smaller financial institutions and community banks. The article also mentions additional resources and guidance to assist these institutions with better information and guidance which is meant to alleviate some CECL fears.

As always, there is no guarantee this delay will occur but we at CliftonLarsonAllen wanted to bring it to your attention that the possibility is out there. FASB is expected to continue these discussions at upcoming meetings.

Neil Falken is a principal-in-charge in the financial institutions practice of CliftonLarsonAllen (CLA) in Minneapolis.

Did You Know?

ICBA is hosting a **Risk Management Institute** on Oct. 28-30 in Minneapolis, MN. This new certification program focuses on strategies surrounding bank governance, credit risk, interest rate risk, liquidity risk, operational risk, compliance risk, and legal risk. The program includes comprehensive dialogue that brings all risk elements together to reveal the necessary components of a successful enterprise risk management (ERM) framework. Register at <https://www.icba.org/education>.

As an ICBA member, you now have unlimited FREE access to **ICBA's Compliance Vault**? All employees of ICBA member banks are able to log in to the ICBA website with their username and password and access the ICBA Compliance Vault!

The Compliance Vault is a reliable search tool that helps you find answers to your regulatory compliance questions, with access to more than 2,400 Q&As, select online courses, and documents. Want to learn more? Watch the Compliance Vault Demo at <https://www.icba.org/compliance/compliance-vault> and check-out the Vault FAQs.

Call Report, continued from page 1

These are high standards. And as I speak to call report preparers across the country, I find that frequently board members, in particular, spend very little, if any, time reviewing the information included in the call report that they sign.

There are consequences for banks and the signers. CFOs and individual board members have been cited during examinations and in formal regulatory agreements for filing inaccurate reports and criticized for failure to identify errors or inconsistencies. CAMELS ratings can suffer, and regulatory action can be taken.

Mitigating the Risk

In all the call report classes I've taught I have only ever had one bank board

member attend. But banks can take other steps to ensure that their call report is being adequately reviewed prior to filing. Banks can:

- Ensure call report preparers are adequately trained
- Ensure that the call report is reviewed in detail by someone independent of the preparation process to help identify any errors or inconsistencies
- Ensure that the call report is prepared well in advance of the deadline and provided to the CFO and board members in plenty of time for them to review the document prior to filing, and
- Perform periodic training for board members on important call report issues such as regulatory capital to

ensure they understand the reports they are signing

Banks may also consider periodically engaging a third party to perform an internal audit of the call report schedules and internal controls over call report preparation.

Amanda Garnett is a principal in the financial institutions practice of CliftonLarsonAllen (CLA) in Peoria, Illinois. This article was originally published on *CLAconnect.com*. The information contained herein is general in nature and is not intended, and should not be construed, as legal, accounting, investment, or tax advice or opinion provided by CliftonLarsonAllen LLP (CliftonLarsonAllen) to the reader. For more information, visit *CLAconnect.com*.

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What makes a community bank different from the larger banks?

A community bank strives to serve the community in which it is located by serving the financial needs of the people and businesses first with a focus on profit and growth second. Larger banks tend to focus on profit and growth first.

What makes you most proud about your bank?

We are a family and every member on our team strives to make our customers feel like they are part of the family too. We achieve this by applying the family values passed down by the Stenehjem family for the last 108 years to each and every interaction we have with a customer and our fellow employees.

How did you find your way into banking?

I went to school for business and started off as an internal auditor in the government sector. I wanted to move closer to my family and noted that First International Bank & Trust had an open position for an internal auditor and compliance officer.

Tell us your biggest and best accomplishment.

Being named First International Bank & Trust's

Odin Award Winner in 2017. The Odin Award is our company's highest honor and is given to the employee who consistently demonstrates the bank's mission, vision, and values at an exemplary level. You are nominated by your peers, so the award is very meaningful to me.

What do you like best about the work you do?

The challenge that it brings. In the banking, compliance, and audit worlds nothing seems to stay the same for long, so there is always something new to learn or some new product, service, or process to apply your knowledge to.

What is your bank's customer service philosophy?

Make sure every customer leaves feeling like family!

What's your best advice to a new bank employee?

Be patient and learn everything you can from those around you. Employees with years of knowledge and experience are generally very willing to share it so take advantage of that!

Why did you choose to become certified?

I wanted to show our examiners (and myself) that I was educated and knew what I was talking about.

How has earning your certification designation helped your career as a banker?

My ICBA certifications have been extremely helpful in my career. They indicate to examiners that I know and understand the regulatory environment. I have been able to show examiners what I found or what aspect of the rule we have based our interpretation on and provided documentation from the ICBA's Annual Certification Conference and other webinars to support that interpretation during exams with positive results. Not only do the certification courses give you the information you need to know, but they also provide you the opportunity to develop a network of individuals that are facing the same challenges that you can share ideas for success with.



Shirley Ringhand (shirley.ringhand@icba.org) is vice president, Certification, Seminars and Bank Director Program, Community Banker University at ICBA.



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RETURN SERVICE REQUESTED

CERTIFICATION NEWS

Is Your Certification Up to Date?

Community Banker University offers a wide range of live events, webinars and online training to assist you in fulfilling your continuing professional education (CPE) requirements.

Your certification maintenance cycle renews every two years on January 1 and you have until December 31 of the following year to attain your CPE. As a reminder, at least half of your required CPE must be earned through attendance at live, in-person seminars, conferences and events.

There is also an Annual Certification Fee of \$100 per certification (up to \$400) that covers the current certification year. The fee should be paid in your Online Certification Portfolio by December 31 of each year. Watch for an email with your click-to-pay link from Julie Woida in October.

Have You Used Your Discussion Forum?

Stay connected and start chatting with your peers today!

Each certification type has its own forum. To access your discussion forum, click on the red **CLICK HERE** button on the home page of your certification portfolio.

For questions contact Julie at 800-422-7285, extension 7334.



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