



Mid America Cooperative Council

MACC VOICE

May 2014 Newsletter

Mid America Cooperative Council
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MAC-Ed Presents Cooperative Director Audit Training

MAC-Ed is presenting a Cooperative Director Audit Training class on August 28, 2014 at Indiana Farm Bureau - Assembly Room, 225 S. East St., Indianapolis IN 46206 from 9:00 AM - 4:00 PM.

This course is targeted and specific to member needs. With the colossal meltdown of Enron and the Financial Crisis of 2009, Congress felt compelled to act to require "Best Practices" guidelines for accounting and financial professionals. The result was the Sarbanes-Oxley Act, which re-wrote the accounting standards for investor-owned businesses and cooperatives, alike. The Dodd-Frank Act overhauled the regulatory standards for financial institutions and significantly influenced the fiduciary responsibilities of boards of directors. The Dodd-Frank Act now requires audit training for directors who lead the audit functions for their board, or serve on the Audit Committee. As a result of attending this training directors will gain a better understanding of their roles and responsibilities as audit committee members, gain knowledge to avoid common pitfalls facing cooperatives and the audit process, and improve the performance of their audit committees and the co-ops they serve.

The Sarbanes-Oxley Act

The Sarbanes-Oxley Act of 2002 is mandatory. ALL organizations, large and small, MUST comply. The legislation came into force in 2002, and introduced major changes to the regulation of financial practice and corporate governance. Named after Senator Paul Sarbanes and Representative Michael Oxley, who were its main architects, it also set a number of deadlines for compliance. To assist those seeking to meet the demands of this act, this training course will cover the key Sarbanes-Oxley sections of the legislation.

The Dodd-Frank Wall Street Reform and Consumer Protection Act

The Dodd-Frank Wall Street Reform and Consumer Protection Act is a compendium of federal regulations, primarily affecting financial institutions and their customers, that the Obama administration passed in 2010 in an attempt to prevent the recurrence of events that caused the 2008 financial crisis. The Dodd-Frank Wall Street Reform and Consumer Protection Act, commonly referred to as simply "Dodd-Frank", is supposed to lower risk in various parts of the U.S. financial system. This training course will cover the various types of regulation covered by Dodd-Frank.

Don't miss out on this opportunity to gain the needed knowledge and information in order for your co-op to comply with the latest

For more information about this training program, visit our website at www.macc.coop or contact MACC at (317) 726-6910 or e-mail at knowledge@macc.coop.

The Cooperative Management Certificate Program

MACC is working with Dr. Chris Merrett, Director of the Illinois Institute for Rural Affairs at Western Illinois University in Macomb, Illinois; to develop a Certificate of Cooperative Management Program. This certificate program is targeted at the graduate school level.

The certificate program will likely have a portion of the course work at the university and the majority of time as an e-Learning module. Specific topics for the curriculum are being developed.

Dr. Christopher Merrett is developing a survey instrument to identify the needed fields of study. That survey instrument will be sent out to over 100 cooperative professionals, later this year, so be on the lookout for the survey to assist with the development of this program. The Cooperative Management Certificate program should be available in 2016.

Students of this program will develop a comprehensive understanding of the cooperative enterprise environment, and learn contemporary and innovative solutions to prevailing sector issues. Consisting of self-directed e-Learning modules, interactive webcasts and face-to-face intensive classroom sessions, this program can fit around your busy schedule while still giving you a chance to interact with experts and network with other students. *NOTE: Students are required to complete all aspects of the course to graduate. Successful graduates are awarded a Cooperative Management Certificate.* To view a similar program offered by the Ontario Cooperative Association, please visit <http://s.coop/cmprogram>.

2014 MAC-ED PROGRAM CALENDAR

Cultivating the Cooperative Difference in Kalamazoo

June 5 Kalamazoo, MI Kalsee Credit Union

Co-ops101 Classes

June 6 E. Lansing, MI GreenStone Farm Credit
June 23 Tiffin, OH Ag Credit
June 27 Louisville, KY Farm Credit Mid-America
July 25 Medina, OH Dairy Farmers of America
August 13 Pigeon, MI Scheurer Prof. Building
August 26 Normal, IL 1st Farm Credit Services
September 18 Louisville, KY Farm Credit Mid-America
October 14 Wabash, IN Beacon Credit Union
November 6 Louisville, KY Farm Credit Mid-America

Co-op Credit Conference

October 16-17 Indianapolis, IN Holiday Inn North/Carmel

CFO Essentials Conference

November 19-20 Indianapolis, IN Embassy Suites North

CFO/Controller Conference

November 20-21 Indianapolis, IN Embassy Suites North

Beatty, Stivers Team Up On Bill to Help Some Credit Unions



WASHINGTON — Two central Ohio lawmakers teamed up on May 6th to pass a bill that they say would allow small, privately insured credit unions to offer more loans, as well as loans at lower rates.

Reps. Steve Stivers, R-Upper Arlington, and Joyce Beatty, D-Jefferson Township, both

members of the House Financial Services Committee, were co-sponsors of a bill that would allow privately insured credit unions to have more access to credit. Rep. Pat Tiberi, R-Genoa Township, also was listed as a co-sponsor on the bill.

Their bill aims to tweak what Stivers' office calls a "legislative oversight" that has blocked a small number of privately insured credit unions - 133 in nine states, including 58 in Ohio - from joining the Federal Home Loan Bank System, which has been a source of credit and liquidity for mortgage lending since it was created in the 1930s.

While federally insured credit unions have been able to join the system for decades, their privately insured counterparts, which represent groups including firefighters, teachers, churches and small businesses, have not.

Patrick Harris of the Ohio Credit Union League said his organization supports the bill. He said he believes the exclusion of privately insured credit unions was "unintentional," but it's resulted in 334,000 credit-union members in the state of Ohio alone being unable to access the credit offered by the Federal Home Loan Bank System.

The legislation, he said, "would provide all credit unions additional lending capital to better serve their members."

But James Thurston, a spokesman for the Ohio Bankers League, said his organization has concerns. He said the credit unions in question are not federally examined or federally insured, and the organization is concerned about giving such credit unions access to the Federal Home Loan Bank System. The league's member banks, he said, "have a real interest in the health of the system and would not like to see anything jeopardize that health."

Stivers said that although the bill would allow the affected credit unions to apply, "it does not guarantee they will receive membership." They would have to go through the same application process as everyone else.

And because the number of credit unions affected is so small, there's "no real concentration or risk" involved with the bill, he said.

The bill passed the House 395-0.

In the Senate, Sherrod Brown, D-Ohio, and Rob Portman, R-Ohio, introduced a similar measure last year.

(The Columbus Dispatch - May 7, 2014)

Rod's Thoughts



This newsletter shows that MACC continues to develop new programs and to supports our members' educational needs, with state legislators.

MACC is constantly engaged in communicating with people who have incomplete information about cooperative businesses. While some may only think of credit unions or rural electrics, others simply think cooperatives don't serve any needs outside of the agricultural sector.

After working with cooperatives over my lifetime, I am still learning how "cooperatives benefit people in need." From families living in rural America desiring stable power supplies or high speed internet, to grain and livestock producers who enjoy local ownership with international marketing power, cooperatives are as unique and powerful as those who own and control them.

MACC is eager to inform and educate about our mutual cooperative advantages over investor owned competitors. The top three advantages are:

- 1. Member Ownership** - If you own or are invested in an idea, personal possession or business, it is more meaningful. We can promote the cooperative advantage through member ownership. Yes, they are customers, but when we refer to owners as customers we miss a key opportunity to sell our unique cooperative advantage.
- 2. Member Control** - Those who control the cooperative vote for their elected representative, to the board of directors. This is democratic control which is very different than Investor Owned Control, where you vote your shares of ownership. Once again, this is a significant advantage for cooperative member/owners.
- 3. Member Benefits** - The benefits of cooperatives are as numerous as the need for cooperatives. Generally, we think of patronage first, but we must not undersell the benefit of the cooperative business moderating prices and stabilizing the marketplace. There is, also, the benefit of products and services offered to member/owners rather than from investors seeking a profit from the transaction. Yes, our cooperatives are first businesses, and thus need to be run efficiently to make a profit. However, every cooperative was created to serve an important need that was not being effectively served in the market. Serving that need is a key member benefit in addition, to patronage.

MACC will continue to serve its' members with cooperative educational programs that support the cooperative business culture.

NSAC 2014 Mississippi Valley Chapter Annual Chapter Meeting

June 22-24 Embassy Suites Indianapolis IN

Please visit the following link for more information:

http://www.nsacoop.org/mississippi_valley_chapter/pdf/06-22-14_MVC_Meeting.pdf