

HOW TO USE THIS MANUAL

Sheshunoff's *Bank Operations and Administration Desk Reference* manual covers all bank activities except loans and trust. This manual was written to be a constant reference source for the bank's most senior administrative/operations person. More often than not this is the number two bank executive, the right-hand person to the CEO. In about half of the nation's banks this person has the title "Cashier;" in the other half there is no discernable title. No matter how organized, and no matter what the title, each bank needs a person reporting to the CEO who is responsible for the bank's administration/operations burdens. This manual was written for that person.

Bank Operations and Administration Desk Reference covers the following seven functional areas:

1. Executive Administration
2. Bank Operations
3. Regulatory Compliance
4. Human Resources Management
5. Board of Directors Support
6. Planning, Financial Management and Budgeting
7. Training and Human Resources Development

EXECUTIVE ADMINISTRATION

The first chapter in *Bank Operations and Administration Desk Reference* describes in detail the duties and responsibilities of a senior administrative position and how to successfully fill the position. This chapter contains a suggested method of organizing the bank's operations and administrative functions and it gives model job descriptions for all the bank's executives not involved in lending or trust.

The second chapter in the desk reference contains model administration and operations policy statements. The bank should follow these.

We believe the bank's senior administrative executive also should function as the bank's risk management officer; so in Chapter 3 there is a model risk management system and program that this person can use to cover this responsibility. Closely related to risk management is a chapter establishing a system of internal and external audits; similarly there is a chapter explaining how to minimize the costs of the bank's insurance coverage while maximizing its effectiveness, and there are risk management chapters establishing a model security program and interest rate risk management.

Administrative matters covered include records management; there is a chapter on bank marketing, and there is even a chapter on how to manage bank examinations.

BANK OPERATIONS

Part two of the manual has operations procedures chapters covering the following subjects:

- Deposit systems
- Legal processes
- Model customer services department
- Paying and receiving
- ATM Administration
- Collections and exchange
- Monitoring and reporting
- Special services (safe deposit boxes, lock box services, safekeeping, telephone transfers and the like)
- Proof of deposit

REGULATORY COMPLIANCE

In our scheme of things regulatory compliance is divided into loan compliance and non-loan compliance. In part three of the manual we cover the non-loan compliance issues faced by a bank. Due to severe space limitations our material on regulatory compliance was removed from the manual and placed on the CD. Also on the accompanying CD there is a Compliance Folder that contains papers written in lay language. These papers could easily become the basis for an extensive community bank compliance training program.

HUMAN RESOURCES MANAGEMENT

Human resources (HR) management is a major area of responsibility of the person for whom this manual was written. In smaller community banks this person actually acts as the HR manager and in larger banks the HR manager reports to this person. Either way, HR is a major responsibility and an area that is covered thoroughly in this manual. HR chapters address the following:

- Fundamental principles of HR management
- Model HR policy manual
- Salary administration
- Performance management
- Service quality management
- Employee training and development

BOARD OF DIRECTORS SUPPORT

Board of director's support is another major administrative area that has to be performed by someone efficiently and effectively. In part five we discuss the following:

- Performing effectively as the secretary to the board
- Conducting and administering board meetings
- Organizing the board
- Model bank code of ethics

PLANNING, FINANCIAL MANAGEMENT AND BUDGETING

Strategic planning, financial planning, financial management and budgeting are all important non-loan functions that must be covered; therefore, we cover them in part six of the *Bank Operations and Administration Desk Reference*. Here, information addresses the following:

- Developing a strategic plan
- Model strategic plans
- Bank financial performance analysis
- Financial planning
- Budgeting
- Cash and funds management
- Managing bank capital
- Managing technological change
- Contingency planning

TRAINING AND HUMAN RESOURCES DEVELOPMENT

In today's times, training and HR development might be the most important functional areas covered in the *Bank Operations and Administration Desk Reference*. We discuss the following:

- Establishing a formal training program for the bank
- Establish effective cross-training for bank employees
- Training on customer contact etiquette
- Training on the products the bank offers to its customers
- Model customer relations handbook
- Model product and services manual