

How to Use This Manual

The questions: Would an avian flu pandemic consume the U.S. in five weeks time as estimated by the Center for Disease Control? Can a bird flu pandemic circle the globe in three months, as predicted by the World Health Organization?

The ramifications of the answers to these serious questions are forcing the federal regulators and financial institutions to recognize the severity of the problem and the potential crippling of day-to-day operating procedures caused by a pandemic.

The worst-case prediction is that 30 to 40 percent of the U.S. workforce would be affected by an outbreak of avian flu. Your credit union must have a valid plan to cope with this potentially disastrous situation. We know the importance of having contingency plans to deal with natural catastrophes — Katrina being a prominent teacher — but do we know how our credit unions would operate if we were attempting to do business at almost half capacity? The regulators recognize this necessity, and if your credit union doesn't, you need to get busy.

Financial institutions are required to have contingency plans, but we are on new ground here, and existing plans need to be modified to accommodate the potential hazards of a pandemic. In October 2007, the Treasury released initial results of the flu pandemic exercise, which included 2700 organizations and lasted three weeks. Nearly all participants found critical gaps in their plans.

A pandemic crisis leaves many unanswered Human Resource questions relating to payroll, continuation of benefits, working remotely, and non-punitive attendance matters. This manual helps you with all of it.

NAFCU's Business Continuity Planning: Preparing for an Avian Flu Pandemic addresses the concerns that a pandemic could cause credit unions (e.g., employee absenteeism, customer fears, vendor capabilities, area quarantines) and offers concrete plans to help you keep your credit union from losing business — or worse — shutting down completely, for good.

Organization will be a key factor in coping with this situation. We guide you in the development of your response team, which will be responsible for initiating and carrying out your plan and

procedures. Sample timetables, worksheets and benchmarks will help you complete your checklist of readiness items.

Risk assessment is a crucial first step, which helps you analyze the potential areas of need and assess the capacities necessary to maintain an adequate level of business. We supply you with sample worksheets and checklists that should be used to create or modify current business continuity plans and procedures. You will need to consider the financial impact, vendor continuity, and, other vulnerabilities specific to catastrophic circumstances. Your specific circumstances — size, location, customer base — will determine specifics in your assessment and plan development.

Your formal response plan will identify essential operations and set the stage for business resumptions. To help you write your formal plan, we have provided a model avian flu response plan that identifies trigger events to begin plan implementation and covers essential functions, personnel and other safety concerns, and critical crisis communications.

Legal issues involving federal employment and state laws may arise in the event of an avian flu pandemic. We highlight the significant federal laws that will likely come into play, discuss their possible impact on a pandemic, and provide information necessary to develop policies and procedures to guide your activities through a very challenging period.

Communication will be the key to the success of your avian flu response program. We devote several chapters to designing and implementing a crisis communications plan that will keep your employees, customers, and vendors aware of your credit union's intentions and procedures. Chapter 11 is an in-depth discussion about planning to communicate with the media during a pandemic.

Recovery will not just happen. Your preparations, your responses during the crisis, and your employees will all affect your credit union's ability to survive and thrive through what could be the worst pandemic of our times.

“Failing to plan is planning to fail” is a familiar adage. But the reality of getting caught unprepared in a pandemic can cause devastation for your credit union, involving both financial and human resources.

We need to be prepared.