

REQUEST FOR TECHNICAL CHANGE

AGENCY: Department of Commerce – Credit Union Division

RULE CITATION: All Rules

DEADLINE FOR RECEIPT: Friday, January 9, 2015

NOTE WELL: This request when viewed on computer extends several pages. Please be sure you have reached the end of the document.

The Rules Review Commission staff has completed its review of this rule prior to the Commission's next meeting. The Commission has not yet reviewed this rule and therefore there has not been a determination as to whether the rule will be approved. You may call this office to inquire concerning the staff recommendation.

In reviewing these rules, the staff determined that the following technical changes need to be made:

Did you receive any written requests for a public hearing pursuant to 150B-21.2(e)?

Please format all rules in accordance with 26 NCAC 02C .0108.

The capitalization of "Credit Union" is inconsistent throughout the rules.

Please retype the rule accordingly and resubmit it to our office at 1711 New Hope Church Road, Raleigh, North Carolina 27609.

Of course, this will also require conforming changes to the attached copies of the rule. Please check to see that this paperwork is in order and is returned along with the revised rule.

Amber Cronk May
Commission Counsel
December 30, 2014

REQUEST FOR TECHNICAL CHANGE

AGENCY: Department of Commerce – Credit Union Division

RULE CITATION: 04 NCAC 06C .0203

DEADLINE FOR RECEIPT: Friday, January 9, 2015

NOTE WELL: This request when viewed on computer extends several pages. Please be sure you have reached the end of the document.

The Rules Review Commission staff has completed its review of this rule prior to the Commission's next meeting. The Commission has not yet reviewed this rule and therefore there has not been a determination as to whether the rule will be approved. You may call this office to inquire concerning the staff recommendation.

In reviewing these rules, the staff determined that the following technical changes need to be made:

The Submission for Permanent Rule Form references 04 NCAC 06C .0200-.0204; however, the Rule does not contain this information. Was that intentional?

Is "Parity." in (a) necessary? You have deleted all other introductory language throughout the Rule and it seems unnecessary here.

In (a), should "To preserve and protect the welfare of state chartered credit union" be "To preserve and protect the welfare of a state chartered credit union" or "To preserve and protect the welfare of state chartered credit unions." As written, it is missing something.

In (a), what do you mean by "fields of membership"?

You may want to consider rewriting (a) to make it less wordy and more clear.

In (b), should "request" be "requests"?

In (b), please cite to the General Statutes in accordance with 26 NCAC 02C .0109 (b)(1).

What exactly do you mean by (b)? Please consider rewriting to make more clear.

In (c), how does the Administrator determine whether or not to approve the charter or bylaws? Are there factors that he or she considers? What is the process for this? Is the process set forth in statute or rule?

Please retype the rule accordingly and resubmit it to our office at 1711 New Hope Church Road, Raleigh, North Carolina 27609.

Of course, this will also require conforming changes to the attached copies of the rule. Please check to see that this paperwork is in order and is returned along with the revised rule.

Amber Cronk May
Commission Counsel
December 30, 2014

1 4 NCAC 06C .0203 is amended as published in 29:07 NCR 729 as follows:

2 04 NCAC 06C .0203 FIELDS OF MEMBERSHIP

3 (a) Parity. To preserve and protect the welfare of state chartered credit union, the Administrator may approve
4 fields of membership and allow state chartered credit unions the same latitude with regard to membership
5 limitations and restrictions as is available to federally chartered credit unions, ~~unions~~, as set forth in 12 CFR Part
6 701.1.

7 (b) New charters and expansion request shall be reviewed and approved in conformity with credit unions
8 organized under Articles 14A to 14L of Chapter 54-109 of the North Carolina General Statutes.

9 ~~(b) New Charters. The field(s) of membership of an applicant for a new credit union shall be reviewed and~~
10 ~~approved or disapproved in conformity with criteria and policies set out in Chapter 1 of the National Credit Union~~
11 ~~Administration's Interpretative Ruling and Policy Statement 89-1, entitled CHARTERING AND FIELD OF~~
12 ~~MEMBERSHIP POLICY, which are adopted by reference pursuant to G.S. 150B-14(c).~~

13 ~~(c) Expansion Requests. Requests for expanded multiple fields of membership for existing credit unions shall be~~
14 ~~reviewed and approved or disapproved in conformity with criteria and policies set out in Chapter 1, Part 2, pages~~
15 ~~2-312.45 to 2-312.56 of the National Credit Union Administration's Interpretive Ruling and Policy Statement 89-1,~~
16 ~~entitled CHARTERING AND FIELD OF MEMBERSHIP POLICY (Rel. 20-2/90 Pub. 161), which are adopted by reference~~
17 ~~pursuant to G.S. 150B-14(c).~~

18 ~~(d)~~ (c) In allowing an expansion of the field of membership, any ~~such~~ credit union ~~would~~ shall be bound by
19 membership limitations or restrictions contained in its charter or bylaws as amended and approved by
20 the ~~Administrator,~~ Administrator, as set forth in G.S. 54-109.4.

21 *History Note: Authority G.S. 54-109.1; 54-109.2(e); 54-109.3(3); 54-109.4; 54-109.11(3); 54-109.12;*

22 *54-109.21(25); 54-109.22; 54-109.26; 54-109.27; 54-109.28*

23 *Eff. February 1, 1976;*

24 *Amended Eff. March 1, 1977;*

25 *Readopted Eff. April 4, 1978;*

26 *Amended Eff. November 1, 1990; October 1, 1983; April 1, 1979.*

27 *Amended Eff. February 1, 2015*

28

REQUEST FOR TECHNICAL CHANGE

AGENCY: Department of Commerce – Credit Union Division

RULE CITATION: 04 NCAC 06C .0205

DEADLINE FOR RECEIPT: Friday, January 9, 2015

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The Rules Review Commission staff has completed its review of this rule prior to the Commission's next meeting. The Commission has not yet reviewed this rule and therefore there has not been a determination as to whether the rule will be approved. You may call this office to inquire concerning the staff recommendation.

In reviewing these rules, the staff determined that the following technical changes need to be made:

In (a), please delete the comma following the stricken "Treasurer/Manager." Please correct "Treasure/Manager" to "Treasurer/Manager"

In (b), did you mean this Rule instead of Section? I don't see where outside attorneys nor outside accountants are used anywhere else.

In (b)(1), please consider rewording "where the percentage is determined by the amount of the credit union's legal expense annually" to something like "based on the credit union's annual legal expense." How about attorneys that provide less than 25% of the annual expense? Are they just not considered an "official"? In (b)(2), is there no similar percentage requirement for "outside accountants?"

In (c), should the semi-colon following "cosignor" on line 14, be a comma?

Please delete the comma following "shall be reviewed."

In (c), is the loan or line of credit being reviewed after it has been approved?

In (c)(1)(C), (c)(2)(A), and (e), please add a comma after "cosigned" for consistency purposes.

In (d), please capitalize Board of Directors.

In (d), when will the board of directors appoint a committee to review and report on the loans? Are there some loans that the Board of Directors will do?

In (d), what is the procedure? Is the procedure simply that a written report will be sent to each director on a monthly basis? If so, the language requiring that a procedure be established is unnecessary.

In (e)(2), what do you mean by "immediate family member"? I see that there is a definition in (e)(3), please move it to (e)(2).

Amber Cronk May
Commission Counsel
December 30, 2014

In (e)(3), please add a comma after “investment” and “terms” for consistency purposes.

In (f), please capitalize “Credit” on line 48.

In (f), please add “or she” after “he” on line 51.

Please capitalize “board of directors” and “credit union” in (g)(1), line 55.

In (g)(1), please change “such” to “the.”

In (g)(2), please delete “to” at the beginning of the sub-paragraph.

In (g)(2), delete “its” before face value.

Please retype the rule accordingly and resubmit it to our office at 1711 New Hope Church Road, Raleigh, North Carolina 27609.

Of course, this will also require conforming changes to the attached copies of the rule. Please check to see that this paperwork is in order and is returned along with the revised rule.

1 4 NCAC 06C .0205 is amended as published in 29:07 NCR 729 as follows:

2 **04 NCAC 06C .0205 LOANS TO CREDIT UNION OFFICIALS**

3 (a) Officials. For purposes of this Rule, an "official" is a member of the board of directors, credit committee, or
4 supervisory committee; the President, Chief Executive Officer, Chief Financial Officer, Comptroller, General
5 Manager, ~~Treasurer/Manager,~~ Treasure/Manager, or Executive Vice President; and outside attorneys and outside
6 accountants of the credit union.

7 (b) For the purpose of this Section, the following definitions apply:

8 (1) "outside attorneys" means independent attorneys or law firms that are retained to provide 25 percent
9 or more of the legal services for the credit union, where the percentage is determined by the amount of the
10 credit union's legal expense annually; and

11 (2) "Outside accountants" means independent accountants or accounting firms that are retained to provide
12 accounting or audit services for the credit union.

13 ~~(b)(c)~~ Loans to Officials. A loan or line of credit extended to an official as the borrower, direct obligor,
14 endorser, ~~co-signer~~ cosigner; or guarantor with direct or indirect pecuniary interest in the loan shall be reviewed,
15 by the Board of Directors or a duly appointed committee thereof, as provided in Paragraph ~~(c)~~ (d) of this Rule, at
16 the next regular meeting following the date of such extension of credit, provided the following computation
17 produces a total amount in excess of ~~twenty five thousand dollars (\$25,000)~~ fifty thousand dollars (\$50,000)
18 including limits of credit cards.

19 (1) Add:

20 (A) the loan amount extended for the current loan;

21 (B) the outstanding balances of loans, including the used portion of an approved line of
22 credit, extended to or endorsed, cosigned or guaranteed by the official; and

23 (C) the total unused portion of approved lines of credit extended to or endorsed, cosigned
24 or guaranteed by the official.

25 (2) Subtract from the above total:

26 (A) the amount of shares pledged by the official on loans or lines of credit extended to, or
27 endorsed, cosigned or guaranteed by the official; and

28 (B) the amount of shares pledged by the official on the current loan or line of credit.

29 ~~(c)~~ (d) Review of Loans to Officials by Duly Appointed Committee. The board of directors may appoint a committee
30 to review and report on loans made to officials. All members of the committee shall be on the board of
31 directors. The committee shall meet before the regular monthly board meeting to review all officials' loans that
32 have been approved since the previous meeting. The committee shall make a report to the board ~~which~~ that shall
33 consist of at least the official's loan number, his or her title or position, the amount of the loan, purpose of the
34 loan, aggregate amount of indebtedness to the credit ~~union~~ union, and a statement regarding compliance with
35 loan policies. Each credit union's board of directors ~~must~~ shall review this loan approval report on a monthly
36 basis. This review may be done at the regular monthly board meeting. In the event the board does not meet
37 monthly, a procedure ~~must~~ shall be established whereby a written report ~~will~~ shall be sent to each director on a
38 monthly basis.

39 ~~(d)~~(e) Non preferential treatment. The rates, terms and conditions on a loan or line of credit made to or
40 endorsed, co-signed or guaranteed by:

41 (1) an official;

42 (2) an immediate family member of an official; ; or

43 (3) any individual having a common ownership, investment or other pecuniary interest in a business
44 enterprise with an official or with an immediate family member of an official, shall not be more
45 favorable than the rates, terms and conditions for comparable loans or lines of credit to other
46 credit union members. For the purpose of this rule; "Immediate family members" means a
47 spouse or other family member living in the same household.

48 ~~(e)~~(f) Avoidance of conflicts. No official or any employee of the credit Union shall in any manner, directly or
49 indirectly, participate in the deliberation upon or the determination of any question affecting his or her pecuniary
50 interest or the pecuniary interest of any corporation, partnership, or association (other than the credit union) in
51 which he is directly or indirectly interested.

52 ~~(f)~~ (g) Indirect Benefits. It shall be unlawful for an official or employee to:

53 (1) have any interest ~~whatsoever~~ or to benefit in any manner in the proceeds of a loan or from the
54 sale by the credit union of any real or personal property unless the official or employee has
55 disclosed to the board of directors of the credit union the nature and extent of the
56 benefit ~~which will~~ that may be received and such loan or sale, regardless of the amount of money
57 involved, has been approved by a vote of at least two thirds of the directors of the credit union;
58 or

59 (2) to have any interest direct or indirect, in the purchase at less than its face value of any savings
60 account or evidence of indebtedness issued by a credit union.

61 ~~(e)(h)~~ Penalty. A violation of the provisions of this Rule shall be sufficient basis for removal of any official or
62 employee by the ~~Administrator~~. Administrator, as set forth in G.S. 54-109.19.

63 *History Note: Authority G.S. 54-109.12; 54-109.19; 54-109.39;*

64 *Eff. February 1, 1976;*

65 *Readopted Eff. April 4, 1978;*

66 *Amended Eff. August 1, 1998; October 1, 1983.*

67 *Amended Eff. February 1, 2015*

REQUEST FOR TECHNICAL CHANGE

AGENCY: Department of Commerce – Credit Union Division

RULE CITATION: 04 NCAC 06C .0301

DEADLINE FOR RECEIPT: Friday, January 9, 2015

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The Rules Review Commission staff has completed its review of this rule prior to the Commission's next meeting. The Commission has not yet reviewed this rule and therefore there has not been a determination as to whether the rule will be approved. You may call this office to inquire concerning the staff recommendation.

In reviewing these rules, the staff determined that the following technical changes need to be made:

In (a), are there any minimum safeguards or is this entirely left to the Credit Union. Please also capitalize “credit union” on line 5.

In (b), is it safe to assume that your regulated public is familiar with generally accepted accounting principles? Where are these contained?

In (c), what is an EDP system? What does this stand for? Is this information contained in another rule?

In (c), what is the process for review and approval? Is this set forth in rule or statute?

In (c), what happens if the Administrator is not notified in advance of extensive planning and the beginning of system programming?

In (d), please change should to shall. How will the administrator determine whether he or she will grant the request for modification?

Please retype the rule accordingly and resubmit it to our office at 1711 New Hope Church Road, Raleigh, North Carolina 27609.

Of course, this will also require conforming changes to the attached copies of the rule. Please check to see that this paperwork is in order and is returned along with the revised rule.

Amber Cronk May
Commission Counsel
December 30, 2014

1 04 NCAC 06C .0301 is amended as published in 29:07 NCR 729 as follows:

2
3 **04 NCAC 06C .0301 GENERAL PROVISIONS**

- 4 (a) Internal controls, ~~bookkeeping~~ accounting procedures, and operational standards ~~reasonably~~ adequate to
5 safeguard the assets shall be established by all credit unions.
- 6 (b) ~~Each credit union shall use the procedures in either the "Handbook and Accounting Manual for State~~
7 ~~Chartered Credit Unions" or the federal manuals "Accounting Manual for Federal Credit Unions," NCUA~~
8 ~~8022, and the "Data Processing Guidelines for Federal Credit Unions," NCUA 8009. If the federal manuals~~
9 ~~are used, those portions in conflict with state law shall be modified to conform with state law. The~~
10 ~~Administrator shall be informed as to which manuals the Credit Union is using. Credit Unions with ten~~
11 ~~million dollars (\$10,000,000) or more in assets shall follow generally accepted accounting principles~~
12 ~~(GAAP) for financial statement and report preparation. Credit Unions with less than ten million dollars~~
13 ~~(\$10,000,000) in assets may follow GAAP or use the procedures in the "Accounting Manual for Federal~~
14 ~~Credit Unions posted on the National Credit Union Administration website.(www.ncua.gov).~~
- 15 (c) At least 60 days before a credit union converts its records from a manual to an EDP system through an
16 outside servicer or changes EDP services, a copy of the proposed contract and a description of the data
17 processing system shall be submitted to the Administrator for review and approval. If an in-house EDP
18 system or the sponsoring company's EDP facilities are to be used, the Administrator ~~should~~ shall be
19 notified in writing of the proposed change before extensive planning and system programming begins.
- 20 (d) ~~Contracts and agreements, procedures and minimum data bases for EDP systems should conform with~~
21 ~~conditions as specified in the "Handbook and Accounting Manual for State Chartered Credit Unions" or~~
- 22 (e) ~~(d) Fully justified request~~ Requests for modification of the rules and regulations in regard to the general
23 provisions should be submitted in writing to the Administrator.

24
25 *History Note: Authority G.S. 54-109.12; 54-109.16; 54-109.17(a),(b);*

26 *Eff. February 1, 1976;*

27 *Amended Eff. November 1, 1977;*

28 *Readopted Eff. April 4, 1978.*

29 *Amended Eff. February 1, 2015*

REQUEST FOR TECHNICAL CHANGE

AGENCY: Department of Commerce – Credit Union Division

RULE CITATION: 04 NCAC 06C .0302

DEADLINE FOR RECEIPT: Friday, January 9, 2015

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The Rules Review Commission staff has completed its review of this rule prior to the Commission's next meeting. The Commission has not yet reviewed this rule and therefore there has not been a determination as to whether the rule will be approved. You may call this office to inquire concerning the staff recommendation.

In reviewing these rules, the staff determined that the following technical changes need to be made:

Please check the capitalization of “credit union” throughout the Rule.

In (1), please delete or define “adequate” and “detailed.”

In (2), please change “a” to “an.”

In (3), the language regarding EDP has been deleted – is this captured by computerized systems?

In (5), “at a minimum” is unnecessary as rules set the minimum standard.

In (10), how shall all bank and Credit Union accounts be preserved?

In (13), how shall facsimile signature plates be controlled?

In (16), delete or define “currently.”

In (17), please change “should” to “shall.”

In (18), who is an authorized person?

In (19), what is the process for approval by the Board of Directors. Please also capitalize “Board of Directors.”

In (20), how shall the membership cards be maintained? Electronically?

In (21), delete or define “detailed.” Also, please delete the comma following “detailed record.”

In (22), please add a comma after “name” for consistency purposes. Change “on which” to “that.”

Amber Cronk May
Commission Counsel
December 30, 2014

In (23), please capitalize Directors on line 52 and Board of Directors on line 56. Delete or define "in detail." Please change the semi-colon to a comma after "board of directors" on line 56.

In (23), who is the designated member when the secretary does not make a matter of record in the minutes?

In (24), is your regulated public familiar with what "work papers" are? Are there any specific requirements as to how the reports and work papers shall be retained?

In (25), please add a comma after signed for consistency purposes. Also are there any specific requirements as to how the reports shall be preserved?

In (26), please delete or define "in detail."

In (28), what do you mean by "improper withdrawal"?

In (29), should "cash and general ledger" be "cash and general ledgers" or "cash and the general ledger"?

In (30), "that may" does not seem to fit in this Paragraph. Would other wording be more appropriate? Also, please check the capitalization of "credit union."

In (31), what laws shall tax liabilities be determined and paid? Is your regulated public familiar with these?

Please retype the rule accordingly and resubmit it to our office at 1711 New Hope Church Road, Raleigh, North Carolina 27609.

Of course, this will also require conforming changes to the attached copies of the rule. Please check to see that this paperwork is in order and is returned along with the revised rule.

Amber Cronk May
Commission Counsel
December 30, 2014

1 4 NCAC 06C .0302 is amended as published in 29:07 NCR 729 as follows:
2

3 **04 NCAC 06C .0302 PROCEDURES**

4 The basic internal controls, ~~bookkeeping~~ accounting procedures and operation standards for all credit unions are as
5 follows:

- 6 (1) An adequate general ledger and detailed cash journal shall be maintained as necessary for
7 the ~~proper~~ control of all transactions of the Credit Union.
- 8 (2) A ~~detailed and complete~~ record of all correcting and adjusting entries, with a ~~full~~ explanation of
9 each entry, shall be maintained.
- 10 (3) For manual and ~~machine-~~ computerized accounting systems, all receipts and disbursements shall
11 be recorded and posted daily to cash journal and subsidiary accounts. ~~Systems using EDP shall be~~
12 ~~posted no less frequently than monthly.~~
- 13 (4) Deposits in the bank or credit union shall consist of an entire day's receipts as entered in the
14 journal and cash record. If amounts are less than three hundred dollars (\$300.00), more than one
15 day's total receipts may be combined in a single deposit provided that no funds are held more than
16 three banking days.
- 17 (5) ~~Adequate security~~ Security shall be provided (cash drawer and lockbox ~~for overnight~~) at
18 a minimum) for storage of funds.
- 19 (6) Credit union funds ~~must~~ shall be kept separate from all other funds.
- 20 (7) Cash shall be balanced at the end of each working day, and a record made ~~thereof~~ by each
21 teller (~~detailing~~— detailing specie, currency, ~~checks~~ checks, and other items counted
22 as ~~cash~~). cash.
- 23 (8) A "cash over and short" account shall be maintained in the expense ledger, with a record showing
24 the name of each person responsible for each difference.
- 25 (9) A pre-numbered receipt slip or other original record shall be made and preserved covering each
26 payment received.
- 27 (10) All bank or credit union accounts shall be reconciled at least monthly and such reconciliations
28 preserved.
- 29 (11) A duplicate of itemized bank or credit union deposit slips, or other comparable detailed item
30 record, shall be preserved.
- 31 (12) The exact status of all the credit union's funds, including investments ~~and/or~~ and funds held by
32 agents or attorneys, ~~must~~ shall be determinable at all ~~times without detailed search.~~ times.
- 33 (13) Checks must be pre-numbered by the printer and not signed in blank in advance of
34 issue. Facsimile signature plates shall be ~~adequately~~ controlled.
- 35 (14) Disbursements ~~must~~ shall be supported by invoices, vouchers, or other explanations of record,
36 each ~~clearly~~ showing the nature or purpose of each disbursement.
- 37 (15) Dual control ~~must~~ shall be maintained over all negotiable investment securities.

- 38 (16) Members' accounts shall be posted currently and balanced not less frequently than monthly and
39 supported by ~~EDP listing~~ member trial balance or adding machine tapes, identified, dated, and
40 preserved.
- 41 (17) A trial balance of the general ledger should be prepared within 15 working days from the close of
42 business of the last day of each month and financial statements prepared therefrom.
- 43 (18) Erasures and eradications for correction of errors in records are prohibited; corrections must be
44 approved by an authorized person.
- 45 (19) Members' passbooks shall be held in the Credit Union office only ~~for temporary~~
46 ~~periods.~~ if authorized by the board of directors.
- 47 (20) A signed membership card file covering all accounts shall be ~~properly~~ maintained.
- 48 (21) Payment of dividends or interest on accounts shall be accomplished by check or by credit to the
49 individual account. ~~Adding machine proof tape or other detailed~~ A detailed record, in support of
50 dividend or interest paid by check or credited to accounts shall be preserved.
- 51 (22) A cross-index card record ~~should~~ shall be maintained for each co-maker showing the date, name
52 and original amount of each note on which the individual appears as co-maker.
- 53 (23) Minutes of meetings of the Board of directors shall record in detail all of its business transactions
54 and be signed by the presiding officer and the secretary. ~~Such directors at such times as they~~
55 ~~are meeting as a board of directors, shall require the secretary of such board or some duly~~
56 ~~designated agent, to make a matter of record in the minutes of the meetings of such board of~~
57 ~~directors, all letter communications from the Division.~~ Upon meeting as a board of directors; the
58 secretary or designated member, shall make a matter of record in the minutes of the meeting all
59 written communications from the Division.
- 60 (24) The supervisory committee shall have work papers to support its audit report. The reports and
61 work papers shall be retained and made available for review by the state examiners.
- 62 (25) A report of actions taken by the credit committee ~~and/or~~ or loan officers shall be prepared, signed
63 and preserved.
- 64 (26) Minutes of each annual meeting of the members of the Credit Union shall record in detail all
65 business transacted.
- 66 (27) All books and records of the Credit Union shall have ~~adequate and proper~~ protection from fire
67 and other hazards at all times. Active books and records of the Credit Union should be located at
68 the principal office at all times.
- 69 (28) Dormant accounts shall be controlled to prevent improper withdrawal.
- 70 (29) Annual vacations of at least five consecutive working days (~~occasionally during~~ during periods
71 when proofs of subsidiary ledgers are being made) shall be taken by each employee having access
72 to ~~cash.~~ cash and general ledger. During the vacation, the employees shall remain continuously
73 absent.

74 (30) A record shall be maintained ~~which will~~ that may at all times show the tax and insurance status of
75 each piece of real estate securing the ~~Credit Union's~~ credit union's investment of funds in real
76 estate mortgage loans.

77 (31) All tax liabilities shall be determined and paid in accordance with the law.

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79 *History Note: Authority G.S. 54-109.11(4); 54-109.12; 54-109.16; 54-109.17;*

80 *Eff. February 1, 1976;*

81 *Readopted Eff. April 4, 1978;*

82 *Amended Eff. January 1, 1992; July 1, 1988; December 1, 1979.*

83 *Amended Eff. February 1, 2015*

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1 4 NCAC 06C .0303 is recommended for repeal as published in 29:07 NCR 729 :

2

3 ~~04 NCAC 06C .0303~~ — ~~DEPRECIATION AND AMORTIZATION SCHEDULES~~

4 ~~Each credit union shall maintain a schedule of all items of real and personal property owned by the Credit~~
5 ~~Union. At the option of the Board of directors, personal and real property may be charged off as an operating~~
6 ~~expense over a reasonable period of time.~~

7 ~~The expense of conversion, excluding equipment, from one accounting system to another may be amortized~~
8 ~~over a period not exceeding three years.~~

9 ~~The expense of organizing a new credit union shall be amortized over a period not exceeding two years.~~

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12 *History Note:* *Authority G.S. 54-109.12;*
13 *Eff. February 1, 1976;*
14 *Readopted Eff. April 4, 1978.*
15 *Repealed Eff. February 1, 2015*

16