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FEDERAL RESERVE BANK *of* KANSAS CITY

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*Regional  
Relationships,  
National Policy*

BOARDS *and* ADVISORY COUNCILS

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FEDERAL RESERVE BANK *of* KANSAS CITY

# Regional & Relationships, National Policy

## BOARDS *and* ADVISORY COUNCILS FEDERAL RESERVE BANK *of* KANSAS CITY

The Federal Reserve has a broad range of responsibilities. As the central bank of the United States, it conducts the nation's monetary policy, supervises and regulates financial institutions, maintains the stability of the financial system, and provides financial services to banks and other depository institutions.

To succeed in each of these mission areas, the Federal Reserve relies on numerous resources, ranging from the most current economic and banking data to the analysis and expertise of its staff. Among the Federal Reserve's most important resources, however, is the real-time knowledge gained from business and community leaders serving on the Federal Reserve's various boards and advisory councils. These individual connections provide the Federal Reserve with a degree of insight on current and emerging issues that cannot be found in the data and comes only from direct involvement.

And, as a reflection of the Federal Reserve's diverse mission areas, these individuals come from a wide range of backgrounds. Leaders in community development, business owners, bankers, labor leaders and entrepreneurs serve in a variety of capacities on the boards and advisory councils that work with both the Board of Governors of the Federal Reserve System in Washington, D.C., and the Federal Reserve Bank of Kansas City. They are a bridge, bringing community input and the view from Main Street to the Federal Reserve's policy deliberations on bank supervision, the payments system and monetary policy.



## BOARD *of* GOVERNORS *of* THE FEDERAL RESERVE SYSTEM

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The Board of Governors of the Federal Reserve System in Washington, D.C., is a government agency with oversight responsibility over the 12 regional Reserve Banks that combine to make up the Federal Reserve System, the nation's central bank. The Board's seven governors are nominated to their positions by the president and confirmed by the Senate. Three advisory councils play an important role in keeping the governors apprised of developments in key areas. The councils offer a unique opportunity for business leaders from across the nation to regularly express their observations to Federal Reserve officials.

### *Federal Advisory Council:*

Each Federal Reserve Bank chooses one person to represent its District on the Federal Advisory Council. The members, who are representatives of the banking industry, consult with and advise the Board of Governors on all matters that are under the Board's jurisdiction. Members customarily serve three one-year terms. The Council meets four times annually, as required by the Federal Reserve Act.

### *Community Depository Institution Advisory Council (CDIAC):*

The Community Depository Institution Advisory Council (CDIAC) provides input to the Board of Governors on the economy, lending conditions and other issues. Members will be selected from representatives of banks, thrift institutions and credit unions. Each Reserve Bank has its own CDIAC. One member of each local CDIAC serves at the Board level group, which meets twice a year.



## FEDERAL RESERVE BANK *of* KANSAS CITY

The Federal Reserve Bank of Kansas City is one of 12 regional Reserve Banks, which, along with the Board of Governors in Washington, D.C., form the Federal Reserve System. The Bank serves the Tenth Federal Reserve District, which covers all or parts of seven states: Colorado, Kansas, Nebraska, Oklahoma, Wyoming, western Missouri and northern New Mexico.

Each of the regional Banks is led by a local Board of Directors. The local board, along with advisory councils at each Bank, ensures that the views of a broad spectrum of the public contribute to the central bank's deliberations.

### *Board of Directors:*

The Board of Directors meets monthly to oversee the Bank's operations and policies and to confer on economic and banking developments. The directors also provide information on economic conditions within the District as a part of the Bank president's preparation for Federal Open Market Committee meetings. Among directors' responsibilities is establishing the Bank's discount rate, which is the interest rate charged to depository institutions on loans they receive from the Federal Reserve Bank, subject to review and determination by the Federal Reserve Board of Governors. The nine positions on the Bank's Board of Directors are filled through a mix of elected and appointed positions. Six Board members are elected by member banks in the seven states of the Tenth Federal Reserve District, while three positions are appointed by the Federal Reserve Board. Members serve staggered three-year terms.

### *Branch Boards of Directors:*

Each Branch of the Federal Reserve Bank of Kansas City has its own seven-member Board of Directors. Directors provide their respective Branch executives, who are economists, with insight on regional economic conditions as well as offer advice and counsel. The directors are a mix of appointments. Four positions are appointed by the Federal Reserve Bank of Kansas City, while three are appointed by the Federal Reserve Board of Governors. Branch directors serve staggered three-year terms.



KANSAS CITY BOARD



DENVER BOARD



OKLAHOMA CITY BOARD



OMAHA BOARD

## FEDERAL RESERVE BANK *of* KANSAS CITY

In addition to directors, the Federal Reserve Bank of Kansas City also relies on the insight provided by the members of its various advisory councils. These individuals each bring a unique and important contribution that helps the Federal Reserve in its consideration of key policy issues.

### *Economic Advisory Council:*

The 12 members of the Economic Advisory Council represent business and labor from throughout the seven states of the Tenth Federal Reserve District. The Council meets twice yearly with the Bank president and members of the Bank's Economic Research staff in Kansas City to offer insight on emerging trends and issues in the Tenth District economy. Members serve three-year terms.

### *Community Development Advisory Council:*

The nine members of the Community Development Advisory Council meet twice annually with the Bank president and members of the Bank's senior management to offer their insight on economic and community development issues in the seven states of the Tenth Federal Reserve District. Members come from a wide background of organizations including financial institutions, community foundations, colleges, community development agencies and businesses.

### *Community Depository Institution Advisory Council:*

The Community Depository Institution Advisory Council (CDIAC) is a Systemwide council formed to represent a broad group of insured community depository institutions. The CDIAC members are selected from representatives of banks, thrift institutions and credit unions. One member of the Tenth District's CDIAC serves on the Board of Governor's CDIAC.



COMMUNITY DEVELOPMENT ADVISORY COUNCIL



## REGIONAL CONNECTIONS

The Tenth Federal Reserve District is an area that is home to a wide range of business and industry, from technology and tourism in the Rocky Mountains to the farms and ranches of the Plains.

In addition to the formal input of Bank directors and advisory council members, Bank officials often travel throughout the District, hosting roundtable discussions and economic forums where they learn about local conditions. Because the best information comes from talking with those directly involved in the District's economy, these trips frequently include site tours of local firms. The tours are a unique and important way to see first-hand the developments that impact the region's economy.

The connections made during these trips are a vital component in the Federal Reserve understanding not only what is going on in the District at the time of the visit, but also in starting an ongoing and continuing dialogue. It's the regional relationships, and the broad base of information they provide, that creates the foundation for the Federal Reserve's decisions on national policy.

*To view a full listing of current and alumni directors and advisory council members, visit us online at [www.KansasCityFed.org](http://www.KansasCityFed.org).*

