

How To OPEN A BANK

Article 7: Bank Security Training, FDIC 326



By Charles M. Williams

Every time I've ever asked that question, whatever state I happen to be in to teach that day, there's always one person who'll answer: "Why, we mostly use a key to open ours!"

Studying the FDIC regulation regarding bank security issues, FDIC 326.3, you'll soon realize the regulation has evolved from the original United States Code from somewhere back in the mid 1800's. The regulation was basically created to provide very broad, wide ranging powers for each bank to use as a framework upon which to build a viable security system. The regulation reads:

"...your written security plan shall establish procedures for:

Opening the bank: Did you read that? It says you shall establish procedures for opening your bank. It does not say you will use three people or six people or one person or any other combination. It says you will ESTABLISH PROCEDURES. So, if you want your procedure to be that each person claps their hands three times before entering in the morning and you write that into your plan and you follow that procedure every day, are you then in compliance with the regulation? Well? Yes, I think so. Why? Because, you have followed the regulation by establishing a procedure; you have incorporated that procedure in your bank's main office and branches; and finally, staff members have been trained to and are following that procedure. So,

the answer is, yes, you could be in compliance with the regulation with something as obviously ridiculous as that.

The other side of the question...

I hope you can see from this example both the flexibility provided by the FDIC regulation and, at the same time, the tremendous responsibility that comes along with it. I don't think anyone would adopt such a useless "procedure" but I think it points to the fact that good judgment is essential. Ask yourself: What makes the most sense in this environment? What is your financial situation? What is your personal best judgment? Answering those questions will enable you to create an effective plan that works.

What's the general idea?

Most banks adopt a system using two people: One who goes in, checks the facility and sets the all clear to enter signal while person number two waits unobserved, outside the facility, until the all clear to enter signal is posted. There are hundreds of all clear possibilities. There are hundreds of scenarios you can choose. The idea is, pick something that works in your circumstances, write it down, and then, make sure every person is well versed and regularly trained on the procedure. It's as much a point of discipline in your effort to overcome complacency as any single thing you can do to secure your bank. You see, the very best security program results

from security conscious people whose antennae are up when it comes to physical security issues.

ABOUT THE AUTHOR:

Charles Williams is a graduate of the University of Georgia, a former banker and a successful business owner. Williams was appointed Bank Security Officer in the 1980's with an independently owned Georgia Community Bank. Since those years he has served as an expert on FDIC 326 in banks across the country.

He has provided Bank Security Training, Front line staff Security Training, Hostage Issues, and the physical security of your institution for Community Banker Associations in multiple states including Georgia, Illinois, Indiana, Kentucky, Pennsylvania, Alabama and the Carolinas.

Williams offers a six part Bank Security Training DVD based on the FDIC Regulation.

Contact Williams by e-mail through: www.banksecuritytraining.com

Bank Security Training Professional
626 Oak Street • Eastman, GA 31023
800 277-6227
FAX: 478 374-071
www.banksecuritytraining.com