



GUIDE: ENSURING YOUR PANDEMIC PLAN IS ACTIONABLE WHILE SATISFYING NYS DFS REGULATORY EXPECTATIONS

TRACY L. HALL, MBCP

As the onslaught of COVID-19 continues to radically shift daily operations, financial institutions are realizing now more than ever the importance of an effective pandemic plan. On March 10, 2020, the New York State Department of Financial Services (NYS DFS) [released a statement requesting that New York State Regulated Institutions submit their pandemic plans](#) as an “assurance of operational preparedness relating to the outbreak of the novel coronavirus.” NYS DFS is requiring you to file your pandemic plan, which is an expansion on your Federal Financial Institutions Examination Council (FFIEC) required pandemic plan, within 30 days from the original notification.

In order to help New York businesses comply with this request and mitigate the impacts of the coronavirus, we’ve assembled a template detailing effective strategies that should be implemented during this pandemic. At the time of publishing, this template is current with the governmental and regulatory statutes in place, and businesses should continue to follow updated guidance to ensure the stability of their plans.

THE BANK/CREDIT UNION PANDEMIC PLAN

It’s the policy of the Bank/Credit Union to address the threat of a Pandemic situation and have an established Pandemic Response Plan. Also, in a fully operational pandemic response plan, it’s the policy of the Bank/Credit Union to comply with all applicable consumer protection laws (including state and federal laws and regulations), as well as regulatory requirements from the Federal Financial Institutions Examination Council (FFIEC) Guidelines on Business Continuity Management. The Bank/Credit Union must assess and manage the risks associated with delivering financial products and services to customers/members during times of crisis. Additionally, the Bank/Credit Union establishes the procedures, processes, and periodic reviews required to ensure ongoing compliance with this policy.

The plan addresses the ability of the Bank/Credit Union to continue operating in a situation where staffing may be compromised. Some estimates show that up to 60% of a workforce could be



impacted during a pandemic situation. Employees may be ill or tending to ill family members, have transportation issues, or remain without child care (if schools are closed). The Bank/Credit Union has adequate cross-training in place for all functions to ensure continuity of operations to the best of its ability if staff are affected and unable to report to work. Cross-training has been implemented across business lines where possible.

BUSINESS IMPACT ANALYSIS (BIA) AND RISK ASSESSMENT

A pandemic may significantly impact the Bank/Credit Union's ability to provide critical services to its customers/members. The Bank/Credit Union employees, or their family members, may become ill, resulting in significant absentee rates.

The Bank/Credit Union is responsible for conducting a Business Impact Analysis (BIA) annually to determine which functions would need to be maintained and which could be delayed or suspended in the event of significant staffing shortages at the Bank/Credit Union or at its vendors.

Per the FFIEC guidance, in the BIA, each department must:

- Assess and prioritize essential business functions and processes that may be affected by a pandemic.
- Identify the potential impact of a pandemic on the institution's essential business functions, processes, and supporting resources.
- Identify the potential impact of a pandemic on customers/members, such as those that could be most affected and those that could have the greatest impact on the (local) economy.
- Identify the legal and regulatory requirements for the institution's business functions and processes.
- Estimate the maximum downtime associated with the institution's business functions and processes that may occur during a pandemic.
- Assess cross-training conducted for key business positions and processes.



- Evaluate the operation plans of critical service providers used during a pandemic.

The BIA also considers requirements needed by personnel if they are required to work from home. This includes connectivity, technology, hardware, and other supplies that are necessary to continue functions when not at the office.

Threats and identification of necessary controls specific to a pandemic are incorporated in the overall Risk Assessment. These threats and controls include those related to cybersecurity, as organizations may be more at risk of cyber threats due to an increased dependency on the internet.

The purpose of the plan is to address challenges specific to a pandemic scenario in which the Bank/Credit Union will be required to maintain services to clients with limited staff availability, vendor, or third-party support. The plan must remain flexible to adjust to unknown timing and scalability issues, technology and accessibility challenges, and availability of key plan members.

This plan is focused on the threat posed by influenza viruses or other viral outbreaks as they pass through the phases of pandemic escalation defined by the [World Health Organization \(WHO\)](#). Since the actions are based on the threat to each individual location, actions will be escalated based on both the pandemic phase published by the WHO and the geographical proximity of demonstrated human-to-human transmission.

PANDEMIC COORDINATION TEAM

The following team will be responsible for overseeing response activities during a Pandemic event:

The Bank/Credit Union should assign responsibilities to a team of individuals specific to ensuring the implementation of tasks within this plan. Adequate representation from Executive Management across the organization should be included.

All Pandemic activities, including the plan's development, maintenance, and testing, will be reviewed and approved annually by the Board of Directors/Supervisory Committee.

It's the responsibility of the Pandemic Coordination Team to:



- Monitor issues and information related to pandemics to ensure the plan is up-to-date.
- Recommend changes to the plan as circumstances warrant.
- Administer periodic employee training.
- Monitor developments related to viral outbreaks published by public health organizations.
- Distribute information to employees, as appropriate.
- Initiate communications that cause implementation of the Pandemic Response Plan.
- Ensure implementation of the plan.

Since an influenza pandemic or other viral infection (such as tuberculosis, smallpox, or hepatitis) may spread rapidly from person to person, many internal business functions and external vendors normally relied upon to deliver products and services may be facing high absentee rates, and may be unable to provide essential services to maintain daily operations. The primary focus of this plan is on the threat posed by viral infections that have progressed to a Phase 4 pandemic alert and beyond.

The influenza virus or other viral infections that do become threats to humans may pass through some (or all) of the following alert phases as defined by the WHO:

- Phase 1: Animal-to-animal transmission
- Phase 2: Some animal-to-human transmission
- Phase 3: Limited human-to-human transmission
- Phase 4: Increased human-to-human transmission
- Phase 5: Significant human-to-human transmission
- Phase 6: Pandemic – Efficient and sustained human-to-human transmission

PREPARATION

Annually, prior to the viral outbreak, the Pandemic Coordination Team will provide information to all employees regarding practices that are recommended by public health officials to reduce the spread of infection.



Prior to the influenza season or viral outbreak, the Pandemic Coordination Team will coordinate with the appropriate group to ensure that an inventory of infection control supplies (hand soaps, tissues, etc.) is taken. They will also make sure that each location has a sufficient access to supplies.

Infection Control Supplies might include:

- Masks (only as deemed appropriate by local health agencies)
- Gloves
- Disinfectant products
- Wipes
- Disposal containers
- Hand sanitizers
- Hand soap dispensers
- Tissues
- Trash can liners
- Paper towels

SHOULD A PANDEMIC OCCUR

A pandemic is an outbreak of a communicable disease or viral infection that spreads easily from person to person, causing serious illness, and can sweep across the country and around the world within a very short time. A pandemic may come and go in waves, each of which typically lasts six to eight weeks, and will often affect geographical areas for a period of time before moving on to other geographies. An especially severe pandemic could lead to high levels of illness, death, social disruption, and economic loss. There is frequently no vaccine readily available for pandemics of new illnesses, and people have little or no immunity for the illness. Influenza viruses go through several phases of mutation as they progress toward the ability to cause a pandemic.

Consequently, businesses that normally deliver products and services may be facing high absentee rates and may be unable to provide essential services to maintain daily operations. It's important that the Bank/Credit Union ensures all critical third-party providers are adequately prepared to continue operations in a pandemic situation and considers alternate providers for critical products and services.



Should a pandemic occur, the Bank/Credit Union will, as needed:

- Implement the communication plan for employees, customers/members, Board of Directors (and/or Supervisory Committee), regulatory agencies, other key stakeholders, and the public as outlined in the Business Continuity Plan (BCP). The communication plan will consider multiple vehicles, including the corporate website and social media, and should be ongoing at regular intervals throughout the duration of the incident.
 - *Document organization's communication plan here.*
- Institute a 'no handshake' policy.
- Eliminate all 'in-office' meetings with customers/members, vendors, auditors, etc.
- Enforce a strict 'stay at home' policy, if sick.
 - Supervisors will be instructed to send and keep employees home if they exhibit symptoms of illness.
- Be willing to lower service standards and prioritize activities, as necessary and appropriate. Non-essential functions may be suspended.
- Institute heightened cleanliness procedures in restrooms and break areas.
- Encourage employees with job duties that can be accomplished by telecommuting to work from home, if possible. Identification of all necessary resources for working from home have been documented as part of the BIA process.
- Contact key vendors to determine the impact of the outbreak on their operations and its effects on the ability to perform daily functions.
- The Bank/Credit Union will monitor staffing levels and assist departments in finding ways to maintain critical operations in light of any staffing shortage.
- If facilities are closed:



- Arrangements should be made to suspend or reroute deliveries, including mail, as appropriate.
- Centralizing mail processing at alternate locations may be implemented.
- Identification of workarounds for functions that rely on mail will be explored. For instance, electronic invoicing via email may be enforced with payment instructions to utilize ACH.
 - If branches are closed, notices will be posted prominently at the branch informing customers/members of the situation and telling them where and how they can transact business, including ATMs, online banking, mobile banking, and telephone banking. Should it be necessary, telephone and other lines of communication will be routed to a location where they will be staffed by employees so customer/member attempts to reach the business do not go unanswered.
- The Bank/Credit Union may implement flexible work hours, including staggered work hours and telecommuting.
 - The Bank/Credit Union will evaluate PTO and compensation policies on a case-by-case basis if employees are asked not to report to work.
- Use the BIA to estimate impacts to the organization and implement necessary workarounds or response activities as appropriate.
- Assess and document/track the valuation of assets and investments that may be, or have been, impacted.
- Assess and document/track the overall impact on the earnings, profits, capital, and liquidity of the institutions.
- Assess and document/track the reasonable and prudent steps to assist customers/members that may be adversely impacted.



- *Customize this as appropriate, but may include things such as waiving overdraft and ATM fees, suspending interest and late fees on loans, increasing daily cash limits, postponing late mortgage payment credit reporting and foreclosure activities, etc.*
- Monitor and evaluate heightened risk specific to cyber activity and virtual currency, as appropriate. Increased monitoring of cyber related activity should be implemented.

In the event of a pandemic *threat*, actions will be taken by the Bank/Credit Union based on the phase of pandemic escalation published by the WHO as they apply to impacting The Bank/Credit Union. These stages are alert stages prior to an actual pandemic being declared. However, the above tasks may be implemented at any time the company sees necessary.

The following are tasks to be considered specific to the stages of a pandemic alert:

STAGE 1: WHO PHASES 1-3

1. Demonstrated human-to-human transmission.
2. Significant human-to-human transmission beyond immediate family.
3. Human-to-human transmission cases in North America.

The Pandemic Coordination Team will monitor potential outbreaks and disseminate information to employees and customers/members, as appropriate. Educational materials and tools for maintaining proper hygiene will be provided to employees. The Pandemic Coordination Team will also ensure an adequate supply of facial tissue, hand hygiene products, disinfectant wipes, and gloves are available in all locations.

Information will be provided to all employees regarding practices that are recommended by public health officials to reduce the spread of infection, including:

- Education on proper hygiene/cough etiquette.
- Frequent hand washing and use of alcohol-based cleaners.
- Appropriate use of gloves, and other protective equipment.
- Removal and disposal protocols for tissues and other items that could harbor the virus.
- Limiting travel to geographic areas reporting increased incidents of the virus.



STAGE 2: WHO PHASE 4

4. Human-to-human transmission cases within 300 miles of the Bank/Credit Union.

In addition to the above, warning notices will be posted at all of the Bank/Credit Union facility entry points. These notices will advise staff, members, and vendors not to enter if they are sick or are experiencing virus-like symptoms. Influenza prevention educational materials (e.g. "Cover your Cough," etc.) will be available at all entry points and employee break areas.

All the Bank/Credit Union personnel will be personally responsible for additional measures to minimize the transmission of the virus, including:

- Conscientious hand washing or use of alcohol-based gels if soap and water are not available.
- Emptying waste cans daily to remove tissues and other items that could harbor the virus.
- Placing fresh trash can liners in the waste cans daily.
- Regular cleaning (with disinfectant spray) of frequently touched surfaces, including counter tops, telephones, computer equipment, and restroom surfaces.
- Reminding staff not to share cups, dishes, and eating utensils, and to ensuring these items are thoroughly washed with soap and hot water after use.
- Removing magazines and newspapers from lobby/waiting areas and employee break areas.

Employees will be advised to notify management of any virus-related absence or potential exposure. Employees should be aware that if they become ill at work, they are to contact their Supervisor by telephone, email, or teleconference, and not leave their work area until advised otherwise.

- The ill employee is to avoid personal contact with other staff and members, if possible, and manage the communication process over the telephone.



- If the ill employee has symptoms that match some of those listed by the [Centers for Disease Control and Prevention \(CDC\)](#), they should be considered a “suspect case.” The ill employee should wear a surgical mask to help protect other staff, members, and vendors. The ill employee should leave work, return home as quickly as possible, and contact a health professional by telephone.
- The vacant work station should be disinfected immediately, including all surfaces and telephone handsets. Gloves must be worn during this process.

Employees will be provided information about locations where they can obtain a vaccination, if one is available and if they desire to get one.

Facilities-related activities should include:

- Emptying waste cans daily to remove tissues and other items that could harbor the virus.
- Placing fresh trash can liners in the waste cans daily.
- Removing magazines and newspapers from lobby/waiting areas and employee break areas.
- Coordinating additional measures with the office cleaning company, as necessary.
- Securing locations that must be closed due to the situation.

STAGE 3: WHO PHASES 5-6

5. Human-to-human transmission cases within 50 miles of the Bank/Credit Union.

In addition to all of the actions listed above, the Bank/Credit Union will implement social distancing strategies appropriate to their respective work areas and activities. Listed below are recommendations:

- *Avoid Meeting People Face-to-Face* – Use the telephone, video conferencing, and the internet to conduct business as much as possible—even when participants are in the same building.



- *Non-essential Gatherings* – Cancel or postpone nonessential meetings, workshops, or training sessions.
- *Work from Home* – If possible, management will arrange for employees to work from home, telecommute, or work flex hours to avoid crowding at the workplace. All employees should be instructed to bring laptops, chargers, and other necessary equipment home on a daily basis. Departments should ensure that an appropriate amount of office supplies and other non-hardware related necessities are taken home in the event a full remote strategy is implemented.
- *Lunch Practices* – Employees should bring lunch and eat at their desk or away from others (avoid the break areas and crowded restaurants). If deemed practicable, stagger lunch times so that the number of people in break areas is reduced.
- *Social Areas* – Do not congregate in hallways, break areas, or other areas where people usually socialize.
- *Meeting Practices* – If a face-to-face meeting is unavoidable, minimize the meeting time, choose a large meeting room and sit at least three feet away from each other; avoid shaking hands and other personal contact. Consider holding meetings outside, weather permitting.

The Bank/Credit Union may also:

- Cancel all non-essential business travel.
- Monitor employee travel to high-risk areas.
- Set up prominent notices at the entrance(s) to the Bank/Credit Union's building(s) advising employees and visitors not to enter if they have viral symptoms.
- Require use of gloves for employees who have person-to-person contact with co-workers, clients, or vendors and other mechanisms available and suggested for containing the disease.



- Require frequent use of hand sanitizer gel and disinfectant wipes (after every person-to-person interaction or handling of items handled by others).
- Use of the emergency employee communication plan to ensure all employees are kept informed of developments as they occur, including employees who remain at home.
- Review the leadership succession plan and advise all managers to review critical work in progress with his or her designated successor.
- Encourage member use of ATMs and other electronic delivery channels.
- Prepare to deploy cross-trained employees to departments that experience higher rates of absenteeism, and other tasks, as necessary.

The Pandemic Coordination Team will determine available staffing and whether it is necessary to implement a supplemental staffing program. If required by staffing levels, refer to the Business Impact Analysis to determine which lower priority functions can be delayed. Team members may consider alternative resource options as necessary.

Testing

The Pandemic plan will be incorporated into regular ongoing Business Continuity/Disaster Recovery testing. Tabletop simulation exercises specific to a pandemic will be performed on a regular basis and annual Disaster Recovery testing will consider staffing shortages, as appropriate. Testing of remote capabilities should also be tested on a regular basis.

Changes to the plan identified during testing will be incorporated and retested, as appropriate.