



## Coronavirus Contingency Plans

by [Steve Brown](#) Topics: [strategic planning](#), [leadership](#)

**Summary:** Since the coronavirus is officially a pandemic, it is definitely a good time to put in place special business continuity plans.

Today is St. Patrick's Day, which is Ireland's national day. Last year, 500k people participated in the celebrations throughout Ireland. But, the coronavirus is impacting public events, and this year it looks like these celebrations will be impacted too.

Just days ago, the WHO declared the coronavirus a pandemic. So, it is definitely a good time for community financial institutions (CFIs) to review their business continuity plans and ensure pandemic planning is included. Traditional business continuity plans could be less effective if they don't incorporate the risk of widespread illnesses.

To help, the Federal Financial Institutions Examination Council (FFIEC) just updated its 2007 Pandemic Planning guidance. Reviewed with your current business continuity plan, this document should help you fill in any gaps, to ensure your institution is prepared.

Several factors dictate specialized planning for a pandemic, according to the interagency guidance. A traditional business continuity plan typically prepares for various types of natural disasters, such as floods or wildfires, or man-made disasters such as terrorist attacks. While such disasters can vary in severity, most cause only short-term disruption or are limited in scope, in relation to a CFI's market area.

As such, traditional plans typically call for the use of mobile branch buses or remote locations to serve as alternative places for back-office activities. But in the case of a pandemic, all locations could be impacted and employees everywhere could be subjected to the illness -- and conditions could last for a longer period than the impacts from some disasters.

Moreover, pandemics often come in waves. After a summer respite, the coronavirus could come roaring back and cause more illness, potentially impacting an institution's operations.

To minimize the threat of illness among an institution's workforce, CFIs should monitor local outbreak conditions to determine when to direct employees to work from home, if their work can be handled remotely. Employees should also be cross-trained for key business positions and processes.

In extreme cases, institutions might need to dictate quarantines in some areas, redirecting customers to online banking, mobile banking, ATMs and call centers (ideally routed to employees' quarantined locations, if possible).

For now, CFIs should take preventive measures to reduce the likelihood that their operations would be significantly impacted by the coronavirus. One of the things that is at the top of the list: educating employees about minimizing the threat of illness, including appropriate hygiene training and tools. CFIs should also coordinate now with critical service providers and suppliers to lessen potential disruptive impacts.

Now that the coronavirus is officially a pandemic, it's smarter not to be penny wise and pound foolish. We ourselves are testing and training around our business continuity plan, including the FFIEC updates. Be prepared and stay safe out there!

## ECONOMY & RATES

Rates As Of: 03/17/2020 11:57AM (GMT-0800)

Treasury	Yields	MTD Chg	YTD Chg
3M	0.17	-1.10	-1.38
6M	0.23	-0.92	-1.35
1Y	0.26	-0.75	-1.31
2Y	0.48	-0.44	-1.09
5Y	0.68	-0.25	-1.01
10Y	1.02	-0.13	-0.90
30Y	1.63	-0.05	-0.76
FF Market	FF Target	Fed Disc	
0.25	0.25	0.25	
SOFR	Prime	Unemp	
0.26	3.25	3.50	

## BANK NEWS

### Coronavirus Impact

Gartner recently polled businesses on their [preparedness for the coronavirus](#). It found: 12% thought they were "highly prepared"; 56% were "somewhat prepared" and 11% said they were "relatively or highly unprepared."

### Holding Cash

The Fed's 12 regional banks have started [quarantining US dollars](#) that they get from Asia for a period of 7-10 days. While there is no evidence that the coronavirus is spread via currency yet, they want to be diligent and are following the "moves by central banks in China and South Korea."

### Coronavirus Contingency

Bank of America has begun asking its clients about their [contingency plans with the coronavirus](#) for their underwriting process. For the past week, big banks themselves have been implementing contingency plans, like staggering shifts and asking their workforce to test telecommuting systems.

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