



Using CU*BASE for Charitable Contributions

Case Study of Element FCU's "SwipeIt for Good" Program

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Summary

This document aims to address the ability to use the CU*BASE core processing platform for the purposes of running a charitable program. Element Federal Credit Union and its “SwipeIt for Good” program are used as an example of one way in which the system can be used to achieve this. Other ways the system can be used are included for enterprising credit unions looking for other ways to run their own charitable service.

Element FCU is located in Charleston, West Virginia. The credit union consists of 4,661 members and \$30 million in total assets. The credit union’s mission is “to empower its members to live better lives by offering innovative, low-cost financial services and building a community of educated, engaged financial consumers.” The credit union has often been on the bleeding edge of offering its members the newest and hottest in financial technological advancement. In 2015, Element FCU became the first CU*Answers credit union to offer its members My Virtual StrongBox services integrated with **It’s Me 247** Online Banking.



The credit union is led by Chief + Innovator Linda Bodie. She holds a BS in Business Administration (Accounting) from Glenville State College and a MS in Technology Management from Marshall University Graduate College. She has been an employee of Element FCU since 1998. Linda became a CU*Answers Board Member October 2013.

SwipeIt for Good Program Overview

Element’s goal was to find a way to combine their internal marketing with CU*BASE capabilities to engage their members and community, and to create a buzz in their market.

“SwipeIt for Good” is a simple concept with two primary goals:

1. To engage credit union members and get them excited about supporting favorite charities.
2. Engage local charities and get them excited about promoting Element’s program to their donors.

The foundation of the program runs on the basis that every time a member uses their debit card online or at a retailer, the credit union gives \$0.05 per swipe to a local charity at no expense to the member.

The program’s benefits to the credit union would be twofold: gain the good will of members by offering to make charitable contributions while simultaneously encouraging members to use their debit cards more; and to foster a relationship with local charities resulting in greater exposure of the credit union to individuals in the region.

Program Design

Management trained front line staff to engage and promote the program with members and found that members did not know who to support or what local charities were available. To make the process easier for members to become involved in, management picked four local charities for the beta test and created marketing materials that front line staff could use to promote the program to members, seen below.

Swipelt for Good



How it Works

1. Select one cause.
2. Use your Element debit card to buy stuff .
3. Element donates \$.05 to your cause each time you use your debit card at a merchant.

Want to support a different cause? Ask us how. Talk to us at info@elementfcu.org

My name is _____ . Give to my cause listed below.

 **eastend
mainstreet**
GROW. PRESERVE. PROMOTE.

PO Box 11255
Charleston, WV 25309
charlestoneastend.com
304-767-9800

Mission: devoted to the revitalization and historic preservation of the historic East End of Charleston.

 **Covenant House**
Helping people in need since 1981

600 Shrewsbury Street
Charleston, WV 25301
wvcovnanthouse.org
304-344-8053

Mission: to help people with the fewest resources meet their basic needs: food, clothing, shelter.

 **Manna Meal**
so the hungry can eat

1105 Quarrier Street
Charleston, WV 25301
mannameal.com
304-345-7121

Mission: serves meals to anyone who is hungry, no questions asked, at no cost, 7 days a week.

 **The Kanawha / Charleston Humane Association**
www.wvanimalshelter.com

1248 Greenbrier Street
Charleston, WV 25301
304-342-1576

Mission: to promote the humane treatment of animals by way of education, humane animal population control and care for injured, homeless, strayed and lost animals.

Using this approach and with MSRs encouraging the free aspect of the promotion, the credit union was able to sign up 150 members in 45 days.

With this baseline membership for the four beta charities, the credit union sent monthly checks to the charities with an explanation of the program and how it worked, adding that Element members were choosing to support their organization.

By reaching out to the charities in this fashion, Element sought to achieve the following goals:

1. Make the charity aware of the SwipeIt for Good program;
2. Pique their curiosity and get them engaged in the process (including design of custom debit/credit cards);
3. Allow the charity to promote this program to their donors, gaining Element more membership;
4. And, participate in a win-win scenario to make the community a better place.

Element designed separate marketing collateral to deliver to the prospective partner charity organizations to encourage them to join with the credit union.

SwipeIt

#DoMoreGood with Element FCU

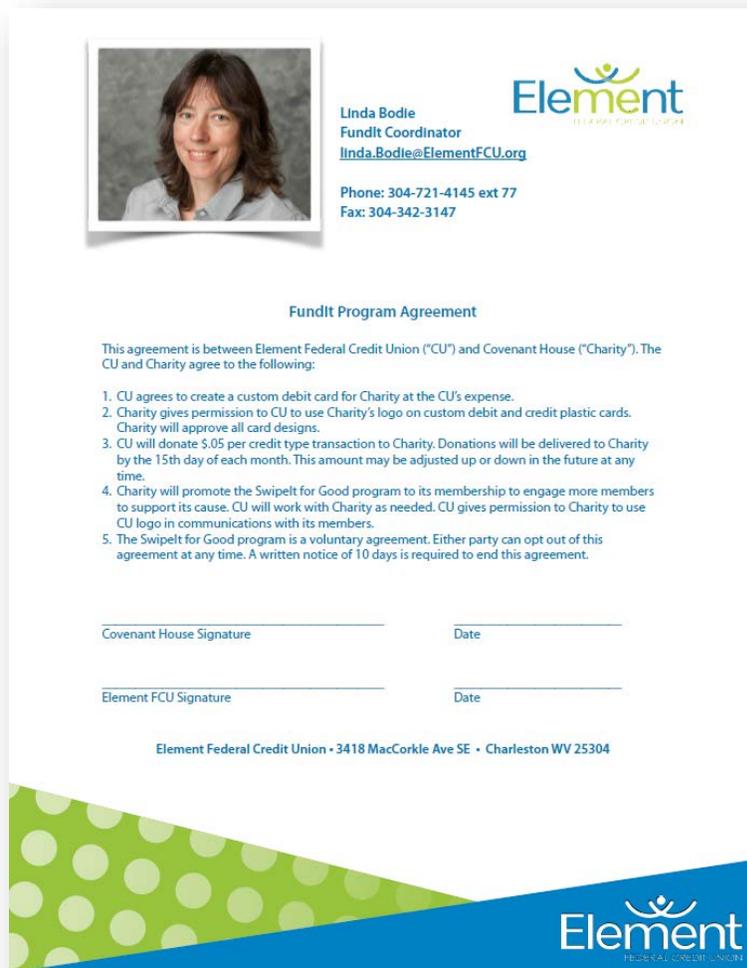
How SwipeIt Works

- 1 Your supporters and our members join forces!
- 2 Your supporters obtain a custom branded debit card or a credit card from Element.
- 3 Each time they swipe their card at a merchant (in the store or online), Element donates \$.05.
- 4 Each month, Element will tally all the swipes and send you a check for your supporters' activity.
- 5 The more supporters you add, the more money you will receive. And it doesn't cost you or your supporters a nickel!

Covenant House
Helping people in need since 1981

Element
FEDERAL CREDIT UNION

Once a potential partnering charity had been found, they were asked to fill out an agreement with the credit union, clearly stating what the credit union will do for the charity, and vice versa.



The image shows a document titled "FundIt Program Agreement" from Element Federal Credit Union. At the top left is a portrait of Linda Bodie, FundIt Coordinator, with her contact information: Linda.Bodie@ElementFCU.org, Phone: 304-721-4145 ext 77, and Fax: 304-342-3147. The Element logo is at the top right. The agreement text states it is between Element Federal Credit Union ("CU") and Covenant House ("Charity"). The terms are:

1. CU agrees to create a custom debit card for Charity at the CU's expense.
2. Charity gives permission to CU to use Charity's logo on custom debit and credit plastic cards. Charity will approve all card designs.
3. CU will donate \$.05 per credit type transaction to Charity. Donations will be delivered to Charity by the 15th day of each month. This amount may be adjusted up or down in the future at any time.
4. Charity will promote the Swipelt for Good program to its membership to engage more members to support its cause. CU will work with Charity as needed. CU gives permission to Charity to use CU logo in communications with its members.
5. The Swipelt for Good program is a voluntary agreement. Either party can opt out of this agreement at any time. A written notice of 10 days is required to end this agreement.

There are signature lines for "Covenant House Signature" and "Element FCU Signature", each with a corresponding "Date" line. The footer includes the address: "Element Federal Credit Union • 3418 MacCorkle Ave SE • Charleston WV 25304" and the Element logo.

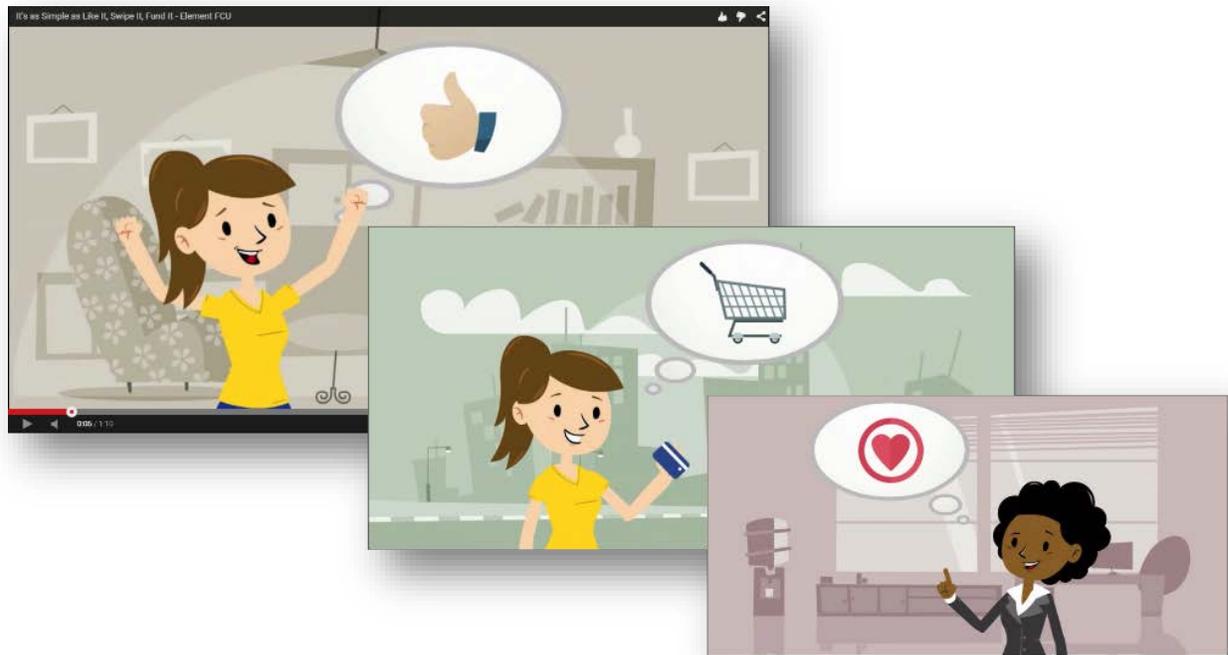


Agreement terms:

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In addition to this outreach, Element created a section [on their website](#) to advertise the program and to provide more information for both members and charities, including a sign up for interested organizations. They also created an accompanying video to explain the program.



System Configuration and Execution

From the CU*BASE perspective, tracking members wishing to donate to a specific charity was the first issue to tackle. While the User Defined fields on the membership (MASTER) record could be used for something like this, if the program expanded as intended there would be more entries than the User Defined Fields would allow for. As such, enrolling members into a guaranteed, 'there until you remove them' Marketing Club was determined to be the best path moving forward.

In most cases, Marketing Clubs are used to track active status features for a group of members, loan rebates and other automated processes, but in this case using it to simply track which charity a member wished to have their debit card swipes tracked towards made the most sense.

Once the Marketing Clubs were populated, the next step for the credit union was to create three queries that could be used to export data to an Excel spreadsheet to track the amounts for each charity's check at the end of the month. The credit union's team worked with CU*Answers Earnings Edge to craft the queries required.

The credit union has a staff member who is responsible for running the queries at the end of the month, noting the number of transactions, number of reversals and plugging those values into their internal Excel workbook that then tells them how much each charity receives. The entire process takes about fifteen minutes at the end of every month.

Over time, the credit union started delivering checks to the charities in person, which in turn led to marketing opportunities. Element announced and advertised the community giving program via various delivery channels (website, Facebook, emails campaigns, etc.).

As data on the program began to accumulate, the credit union began using that data to communicate and market to their members, reporting on donations and charities.



Using Debit Card Round Up for a Charity Program

*Another charitable program that would encourage members to use their debit cards could entail using the Debit Card Round Up feature in CU*BASE. The program allows an amount to be transferred during End of Day processing from a checking account to designated account. For example, if a member uses their debit card at Starbucks for \$1.52, during End of Day processing \$0.48 will be transferred to the Debit Card Round Up assigned account.*

*A credit union wishing to charge a uniform fee for charity via an opt-in program, could use CU*BASE's marketing clubs to do so.*

Marketing clubs have the ability to charge dues on a monthly, quarterly or annual basis, and assign those dues collected to a specified G/L account. So a credit union could offer a program to support a specific charity monthly, create a G/L account to track and represent those donations, enroll a member into the program and have the fixed amount automatically deducted, tracked for reporting and transferred to the proper G/L for a check to be cut or ACH to be wired. The credit union could even make additional tiered service rewards points to be granted upon enrollment into the marketing club.

Once funds are deposited in the designated savings account, funds could be removed automatically in one of two ways:

Transferring Funds Via Automated Funds Transfer

Using the Automated Funds Transfer ability to sweep funds, the totals could be swept on a daily or monthly basis to a specified credit union account from which a monthly donation check could be generated for the charity.

This method would require that an AFT be set up for each participating member. Note: members would see the transfer to credit union account in their account history. The benefit of this method is that only a single charity contribution savings product would be necessary. The AFT record would control to what savings account the funds are transferred, allowing the CU to create a savings account for each participating charity in the credit union membership. Funds could then be withdrawn on demand for delivery to the charities.

Transferring Funds Via OTB Sweep to G/L Account

Alternatively, OTB Savings products could be created for each participating charity organization. Using the "Allow balance transfer processing" OTB feature, funds could be swept from the Round Up account to a designated G/L. The advantage of this method is that funds are transferred directly to a G/L account instead of a credit union account. Additionally, the balance transfer functionality allows the CU to set up a monthly service charge, eliminating the need for a marketing club to charge a fee.

The disadvantage of this method is that a separate OTB product and savings product with a unique suffix would need to be created for each participating charity.

Program Results

Element's program has been met with success. Members can currently enroll for one of four charities:

- Covenant House – 29 supporters raise an average of \$39 per month
- Kanawha-Charleston Humane Association – 70 supporters raise an average of \$115 per month
- Manna Meal – 46 supporters raise an average of \$69 per month
- Eastend Mainstreet – 5 supporters raise an average of \$9 per month